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11 **UNITED STATES BANKRUPTCY COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

13 In re
14 THE SOURCE HOTEL, LLC,
15
16 Debtor.

Case No. 8:21-bk-10525-ES

Chapter 11

**MOTION OF SHADY BIRD LENDING,
LLC FOR ORDER EXCUSING STATE
COURT RECEIVER FROM TURNOVER
OF ASSETS PURSUANT TO 11 U.S.C. §
543; MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATIONS OF
RONALD RICHARDS, BELLANN R.
RAILE, AND BRENT LITTLE IN
SUPPORT THEREOF**

DATE: April 15, 2021
TIME: 10:30 a.m.
PLACE: Courtroom "5A"

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1 **TO THE HONORABLE ERITHE SMITH, UNITED STATES BANKRUPTCY JUDGE,**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR, AND ALL OTHER**
3 **INTERESTED PARTIES:**

4 **MOTION**

5 Through its “Motion of Shady Bird Lending, LLC for Order Excusing State
6 Court Receiver From Turnover of Assets Pursuant to 11 U.S.C. § 543; Memorandum of
7 Points and Authorities; Declarations of Ronald Richards, Bellann R. Raile, and Brent
8 Little in Support Thereof” (the “Motion”), Shady Bird Lending, LLC (“Shady Bird”), the
9 holder of the senior deed of trust on the real property bearing APN Nos. 276-361-20 and
10 276-361-22, consisting of a partially constructed 178-room, seven story hotel building
11 located in Buena Park, California (the “Project”) owned by the debtor The Source Hotel,
12 LLC (the “Debtor”), hereby seeks an order, among other things, excusing the state court
13 receiver from turnover of the Debtor’s assets, including the Project, and authorizing the
14 state court receiver, on an interim basis, to take the steps necessary and appropriate to
15 preserve and protect the assets of the Debtor pursuant to 11 U.S.C. § 543(d)(1).

16 This Motion is made and based upon the moving papers, the attached
17 memorandum of points and authorities and the supporting declarations of Ronald
18 Richards, Bellann R. Raile, and Brent Little, the pleadings filed in the Debtor’s case, all
19 judicially noticeable facts, the arguments and representations of counsel, and any oral or
20 documentary evidence presented prior to or at the scheduled hearing.

21 **WHEREFORE** Shady Bird respectfully requests that the Court enter an
22 order:

- 23 (1) granting this Motion;
- 24 (2) excusing the state court receiver from turnover of the Debtor’s
25 assets, including the Project, and authorizing the state court receiver, on an interim basis,
26 to take the steps necessary and appropriate to preserve and protect the Debtor’s assets
27 pursuant to 11 U.S.C. § 543(d)(1); and

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1 (3) granting such other and further relief as this Court deems just and
2 proper under the circumstances.

3 DATED: March 25, 2021

SulmeyerKupetz
A Professional Corporation

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By: /s/ Daniel A. Lev

Daniel A. Lev

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Attorneys for Shady Bird Lending, LLC

8 DATED: March 25, 2021

Law Offices of Ronald Richards & Associates, APC

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By: /s/ Ronald Richards

Ronald Richards

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Attorneys for Shady Bird Lending, LLC

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

JURISDICTION

This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334(b). Venue in this Court is proper pursuant to 28 U.S.C. § 1409(a). The Motion is a core matter pursuant to 28 U.S.C. § 157(b)(2)(A) and, therefore, this Court has the constitutional authority to enter a final ruling on the merits. Stern v. Marshall, 564 U.S. 462, 499, 131 S. Ct. 2594, 180 L. Ed. 2d 475 (2011). The statutory predicate for the Motion is 11 U.S.C. § 543(d).

II.

PREFATORY STATEMENT

By causing a receiver to be appointed, Shady Bird took appropriate steps to ensure that the Debtor and its principals could no longer harm its collateral. And since her recent appointment, the receiver already has undertaken measures to stabilize and secure this ramshackle hotel project, which has become subject to recent acts of vandalism. The receiver also commissioned an inspection report which details the serious issues of neglect, waste, and disrepair at the Project.¹

In light of these undeniable facts, returning the Debtor to the helm would pose a significant and serious risk of irreparable harm to the estate's sole asset and would seriously harm creditors, most notably, Shady Bird. Conversely, if the receiver is excused from turning over the Project, there will be no harm to the Debtor or creditors. In short, an independent fiduciary should remain in charge of the Project unless and until the Debtor presents this Court with concrete evidence of its ability to finance and

¹ A true and correct copy of the "Property Inspection Report for The Source OC Hilton Hotel," dated March 10, 2021 (the "Report"), prepared by Urban Advisory and Building Group, LLC ("Urban Advisory") at the request of the receiver is attached as Exhibit "D" to the declaration of Brent Little, affixed hereto.

complete construction, pay the numerous mechanic's liens, and, above all else, provide Shady Bird with a measure of adequate protection for its lien.

III.

RELEVANT BACKGROUND

Shady Bird is owed in excess of \$25,000,000 by the Debtor who not only is in default, but is not protecting and securing the property that serves as Shady Bird's collateral. In fact, after learning that the ill-fated Project and improvements were in a state of disrepair and were being damaged, Shady Bird was notified by the Debtor that it was no longer providing any security for the Project. To make matters worse, the Debtor refused to grant Shady Bird access to allow it to inspect, protect, and secure the Project. The Debtor also refused to provide Shady Bird with proof of insurance, in further breach of its obligations under the deed of trust and loan agreement.

Presented with a Project which was deteriorating and was uninsured, Shady Bird had no choice but to seek the *ex parte* appointment of a receiver to prevent irreparable harm and immediate danger to its collateral and to ensure that it was insured against further loss, damage, and destruction. The state court agreed, and Bellann R. Raile (the "Receiver") was appointed receiver nine days before the petition was filed. As the Receiver herself attests, the hotel is in a complete state of disarray. Compelling the turnover of the Project to the Debtor at this time would, therefore, be egregious and prejudicial to the interests of creditors.

A. The Loan, Loan Documents, and Deed of Trust

1. The Loan and Loan Agreement

On or about May 24, 2016, Evertrust Bank (the "Original Lender") and the Debtor entered into a construction loan (the "Loan") in the principal amount of \$24,988,808.² The Loan was made pursuant to a Construction Loan Agreement (the

² The history of the Loan Agreement and its assignment to Shady Bird is detailed in the declaration of Ronald Richards, affixed hereto.

1 “Loan Agreement”) dated May 24, 2016, between the Debtor and Original Lender. The
2 purpose of the Loan was for the development and construction of a 178-room, 7 story
3 hotel project (the “Project”). In addition to the Project, the Debtor is the ground lessee
4 under a 99-year “Memorandum of Ground Lease” (the “Ground Lease”) with ground
5 lessor, The Source at Beach, LLC (the “Ground Lessor”). Although the Ground Lease
6 was terminated on February 16, 2021, by Ground Lessor, not surprisingly, the termination
7 was just recently rescinded.

8 **2. The Note**

9 In furtherance of the Loan Agreement, as evidence of the Loan, and for
10 value received in the maximum principal amount of \$29,500,000 by the Debtor from
11 Original Lender, the Debtor executed and delivered to Original Lender the Promissory
12 Note (the “Note”). According to the Note, the Debtor agreed to make monthly payments
13 of interest commencing on July 1, 2016, until the Note’s original maturity date of
14 December 1, 2017 (the “Original Maturity Date”). Upon the Original Maturity Date, the
15 entire unpaid principal, all accrued interest, and other costs and fees were due and
16 payable without demand or notice. As explained below, pursuant to five extension
17 agreements, the Original Maturity Date was extended to November 1, 2019 (the “Maturity
18 Date”). An event of default under the Note is defined as any event of default under the
19 Loan Agreement.

20 **3. The Deed of Trust**

21 To secure repayment and performance of the Debtor’s obligations under,
22 *inter alia*, the Loan Agreement and Note, the Debtor executed and delivered to Original
23 Lender a deed of trust (the “Deed of Trust”) pursuant to which, *inter alia*, Original Lender
24 was granted a first priority lien against the Debtor’s rights in the Project and the Ground
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1 Lease.³ Specifically, the Deed of Trust grants Original Lender, and Shady Bird, as its
2 assignee, a first priority security interest and lien in the Debtor's leasehold interest in the
3 Project; all right, title, and interest in and to the Ground Lease; rents, income and profits
4 arising from or pursuant to the Ground Lease; and the use, occupancy, and enjoyment of
5 the Project along with all other real and personal property described in the Deed of Trust.
6 The Deed Trust further grants, transfers, and assigns to Shady Bird, as assignee, all of
7 the Debtor's right, title, and interest in and to any building, improvements, fixtures,
8 structures, and equipment located or erected on the Project (collectively, the
9 "Improvements").

10 The Deed of Trust also requires the Debtor to maintain insurance on the
11 Project (as defined therein) and to protect Shady Bird's security interest in the Project
12 against loss or damage by fire and other risks. As assignee, Shady Bird also shall be
13 named as the primary loss payee under all of the insurance policies and the Debtor is
14 required to assure that Shady Bird receives a certificate from each insurance company
15 that acknowledges Shady Bird's position as loss payee and that states that the insurance
16 policy cannot be terminated as to Shady Bird except upon 30-days prior written notice.

17 The Deed of Trust further requires the Debtor to maintain and preserve the
18 Project, including, *inter alia*: (i) keeping the Project in good condition and repair; (ii) using
19 commercially reasonable efforts to complete or restore promptly and in good and
20 workmanlike manner the Project, or any part thereof, which may be damaged or
21 destroyed; (iii) not committing or permitting material physical waste of the Project or any
22 portion thereof; and (iv) doing all other acts which from the character or use of the Project
23 may be reasonably necessary to maintain, preserve, and enhance its value and
24 otherwise performing such appropriate upkeep and maintenance to the Project to ensure

25 _____
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27 ³ The Ground Lessor consented to the Loan, the encumbrance of the Debtor's interest in the Ground
28 Lease, and the Deed of Trust by entering into a "Ground Lessor's Consent, Estoppel Certificate and Fee
Mortgagee Agreement" (the "Ground Lessor's Consent").

1 that the Project, and each part thereof, is maintained in a first-class manner and retains
2 at all times a first-class appearance and condition.

3 According to the Deed of Trust, Shady Bird is provided the right to inspect
4 the Project for purposes of ensuring the Debtor's compliance with its obligations under
5 the Deed of Trust. Finally, the Deed of Trust not only gives Shady Bird the right to
6 perform various acts in the event of the Debtor's failure to perform in order to protect the
7 collateral, but it also allows Shady Bird to bring an action for specific performance or for
8 appointment of a receiver to take possession of the Project and operate the business of
9 the Debtor, if any, being conducted on the Project.

10 **4. The Extension Agreements**

11 The Loan and Note originally matured on the Original Maturity Date of
12 December 1, 2017. Thereafter, at the request of the Debtor and the guarantors of the
13 Loan and Note, namely, Donald Chae and Min Chae (collectively, the "Guarantors"), the
14 Debtor, Guarantors, and Original Lender entered into a "First Extension Agreement"
15 dated December 22, 2017 (the "First Extension"), whereby, *inter alia*, pursuant to the
16 terms therein, (i) the Original Maturity Date was extended to June 1, 2018, and (ii) the
17 completion date of the Project was extended to June 1, 2018. Thereafter, pursuant to a
18 "Second Extension Agreement," "Third Extension Agreement," "Fourth Extension
19 Agreement," and "Fifth Extension Agreement" (collectively with the First Extension, the
20 "Extension Agreements"), the Original Maturity Date of the Loan, Loan Agreement, and
21 Note, and the completion date of the Project, were extended to November 1, 2019 (the
22 "Maturity Date").

23 **B. Assignment of Loan, Loan Agreement, Note, Deed of Trust, and Other**
24 **Loan Documents to Shady Bird**

25 As noted, Shady Bird is the assignee of all of Original Lender's right, title,
26 and interest in and to, *inter alia*, the Loan, Loan Agreement, Note, and Deed of Trust. In
27 this regard, in exchange for good and valuable consideration and in furtherance of a
28 "Non-Recourse Loan Sale Agreement and Joint Escrow Instructions" (the "Loan Sale

1 Agreement”) and an “Assignment of Loan Documents” dated December 29, 2020 (the
2 “Assignment of Loan Documents”), Original Lender executed and delivered to Shady Bird
3 an “Assignment of Deed of Trust” dated December 29, 2020, and recorded on January 4,
4 2021, whereby Original Lender assigned and transferred to Shady Bird all of Original
5 Lender’s right, title, and interest in and to the Loan Agreement, the Note, and Deed of
6 Trust. As such, Shady Bird is the lawful owner and holder of the Note and the Loan
7 Agreement and is the beneficiary of the Deed of Trust. Moreover, pursuant to an
8 “Allonge” to the Note dated December 29, 2020, all amounts due and owing on the Note
9 by the Debtor are now payable to Shady Bird.

10 **C. The Debtor’s Multiple and Continuing Defaults and Waste Resulting in**
11 **the Appointment of the Receiver**

12 Due to the Debtor’s defaults under the Loan Agreement, Note, and Deed of
13 Trust for the following undisputed reasons, Shady Bird was left with no alternative but to
14 exercise its rights to not only commence a non-judicial foreclosure sale, but to seek the
15 appointment of a receiver. Specifically, the following defaults warranted such drastic
16 relief:

- 17 • The Debtor’s failure to make the payment of interest due under the
18 Note on October 1, 2019;
- 19 • The Debtor’s failure to repay the total indebtedness on the Loan,
20 Note, and Loan Agreement by the Maturity Date;
- 21 • The Debtor’s failure to complete the construction of the Project by
22 the Maturity Date;
- 23 • The Debtor’s failure to timely pay its contractors and other third
24 parties resulting in multiple mechanic’s being recorded against the Project and the
25 Debtor’s failure to furnish a sufficient bond causing such liens to be released or giving
26 other satisfactory indemnity within ten days of recording;
- 27 • The Debtor’s failure to take reasonable measures to maintain,
28 protect, and secure the Project under the Deed of Trust;

- 1 • The Debtor's failure to prevent the Project from becoming
- 2 vandalized, damaged, destroyed, and deteriorated;
- 3 • The Debtor's failure to prevent material physical waste of the Project;
- 4 • The Debtor's failure to allow Shady Bird to enter upon and inspect
- 5 the Project;
- 6 • The Debtor's failure to provide evidence of and certificates of
- 7 insurance to Shady Bird upon request;
- 8 • The Debtor's failure to allow inspections by the City of Buena Park
- 9 and ceasing communications with the City, negatively affecting the permitting process
- 10 and the ability to complete the Project;
- 11 • The Debtor's failure to maintain various systems and improvements
- 12 on the Project such as the elevator, electrical, HVAC, and plumbing;
- 13 • The Debtor's failure to provide any security for the Project and
- 14 improvements; and
- 15 • The Debtor's failure to timely test the fire-life safety systems which
- 16 could completely destroy the Project.

17 Compounding the Project's serious problems, on February 16, 2021, the
18 day before the Receiver's appointment, Shady Bird received a "Notice of Default Under,
19 and Exercise of Option to Terminate, Ground Lease" from the Ground Lessor, advising
20 Shady Bird that the Ground Lease was being immediately terminated.⁴ As detailed in the
21 termination notice, the Ground Lease was terminated due to a number of defaults,
22 including "[the Debtor's] failure to construct or cause to be constructed to substantial
23 completion upon the Hotel Complex Premises all Improvements on or prior to December
24 1, 2019 in violation of Article 11.1, as amended" and "[Ground] Lessor has received
25 copies of Notices of Lis Pendens, copies attached, reflecting the commencement of

26 _____
27 ⁴ A true and correct copy of the termination notice is attached hereto as Exhibit "A" and incorporated herein
28 by reference.

1 foreclosures of numerous mechanic's liens, a violation of Article 20.1(c)." In order to
2 escape the ramifications of the termination, the Ground Lessor rescinded the termination
3 on March 22, 2021, however, the defaults that first occasioned the termination remain.⁵

4 As a result of the foregoing defaults, the principal sum of not less than
5 \$24,988,808.74 is due and owing to Shady Bird.⁶ Hence, Original Lender, and now
6 Shady Bird as assignee, initiated a non-judicial foreclosure under the Deed of Trust, and
7 a foreclosure sale was scheduled for March 1, 2021. Shady Bird also exercised its
8 remedies under the Deed of Trust by seeking the *ex parte* appointment of a receiver. As
9 highlighted, on February 17, 2021, the state court granted Shady Bird's request and the
10 Receiver was appointed.⁷ The Receiver assumed immediate control of the Project, but
11 due to the chapter 11 filing, the March 1, 2021, foreclosure sale did not proceed.⁸

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16 ⁵ Shockingly, Donald Chae, who directed the Ground Lessor to terminate the Ground Lease the day before
17 the hearing to appoint the Receiver, filed schedules under penalty of perjury which scheduled the Ground
18 Lease as an asset. Only after Shady Bird pointed out the pre-petition termination of the Ground Lease in
19 its "Omnibus Response of Shady Bird Lending, LLC to (1) Motion for Entry of An Order: (A) Requiring
20 Turnover of Estate Cash By Evertrust Bank; (B) Authorizing Debtor to Use Cash Collateral; and (C)
21 Authorizing Debtor to Obtain Post-Petition Financing From M+D Properties On An Unsecured Basis, and
22 (2) Motion for Entry of Order Authorizing Debtor to Provide Adequate Assurance of Future Payment to
Utility Companies Pursuant to 11 U.S.C. § 366; Declaration of Ronald Richards in Support Thereof"
[Docket No. 39] did Mr. Chae then direct the Ground Lessor to rescind the termination. This further
supports a finding that the Debtor's management is not only grossly incompetent, but is engaging in
dishonest behavior, to the point where the schedules actually contained knowingly false statements. This
is the type of gamesmanship this Debtor's operator is capable of, and demonstrates why the Project has no
chance of survival under his leadership.

23 ⁶ The Debtor and the Guarantors also are liable for additional amounts on the Note, Loan Agreement, and
24 guaranty for interest, default interest, late fees, and costs and attorneys' fees incurred by Original Lender
and Shady Bird in connection with collection and enforcement of the Note, Loan Agreement, and guaranty.
These amounts are preserved by Shady Bird, and are not waived in any action or proceeding as a result of
this case.

25 ⁷ Pursuant to Rule 201 of the Federal Rules of Evidence, the Court is respectfully requested to take judicial
26 notice of the February 17, 2021, order, a true and correct copy of which is attached hereto as Exhibit "B"
and incorporated herein by reference.

27 ⁸ The events occurring since her appointment (including photographs detailing the current state of the
28 Project) are detailed in the declaration of Bellann R. Raile, affixed hereto.

D. The Inspection Report Commissioned By the Receiver Demonstrates
Why the Receiver Should Be Excused From Compliance With 11
U.S.C. § 543(b)

As highlighted earlier, the Receiver commissioned an inspection report from Urban Advisory to provide her an analysis of the Project's current physical condition. Urban Advisory' conclusions (as detailed in the Report which is supported by additional photographs) are quite troubling. The Report details the following:

- The hotel is an idled construction project, which is roughly 70% complete
- There are substantial roof issues which currently permit the intrusion of water into the structure
- The construction assemblies on the roof are incomplete and create an opportunity for water infiltration
- The fire sprinkler system is not currently capable of providing life-safety protection for the Project
- Due to neglect and exposure to UV rays, the pool deck will need substantial repair
- The pool has an accumulation of water and trash making it a breeding ground for mosquitos, which may carry the West Nile Virus
- Completed business finishes are not being protected and are exposed to waste or damage
- A potentially hazardous situation may exist if the building sewer system is not connected to the public system
- HVAC package units have been left unsecured and accessible to thieves and vandals
- There are hazardous and caustic chemical unsecured at the Project

As borne out by the Report, these are serious issues which quite obviously are negatively affecting Shady Bird's collateral, and jeopardizing the rights of other

creditors. The Debtor, who solely is responsible for the shabby construction and neglect of the Project, can no longer be trusted to preserve the Project's value. Since the interests of creditors, notably, Shady Bird, would be better served by permitting the Receiver to remain in possession, custody, or control of the Project, the Receiver's compliance with Section 543(b) must be excused.⁹

IV.

**THE RECEIVER SHOULD BE EXCUSED FROM COMPLIANCE WITH THE
TURNOVER REQUIREMENTS OF 11 U.S.C. § 543(b)**

Generally, upon the filing of a chapter 11 case, “[a] custodian with knowledge of the commencement of a case under this title concerning the debtor may not make any disbursement from, or take any action in the administration of, property of the debtor . . . except such action as is necessary to preserve such property.” 11 U.S.C. § 543(a).¹⁰ Instead, a custodian must “deliver to the trustee any property of the debtor held by or transferred to such custodian . . . on the date that such custodian acquires knowledge of the commencement of the case.” 11 U.S.C. § 543(b)(1).¹¹

A court, however, has discretion under Section 543(d)(1) to excuse a state court receiver from its mandatory turnover obligation under Section 543(b)(1). See In re Corporate & Leisure Event Prods., Inc., 351 B.R. 724, 732 (Bankr. D. Ariz. 2006). The party requesting excusal from turnover must show, by a preponderance of evidence, that

⁹ Due to the Debtor's pre and post-petition gross mismanagement, dishonesty, and incompetence, Shady Bird anticipates filing a separate motion seeking the appointment of a chapter 11 trustee.

¹⁰ In a letter dated March 1, 2021, the Debtor formally asked Shady Bird to order the Receiver to immediately comply with Section 543(b)(1) and (b)(2) by turning over and accounting for all of the Debtor's property now in the Receiver's possession, custody, or control. Shady Bird advised the Debtor that it would not comply with the request pending a ruling on the Motion, which is timely under Section 27(a)-(c) of the February 17, 2021, order based on the Debtor's agreement not to use the delay in filing the Motion as a defense.

¹¹ The obligation of a custodian to turn over property of the debtor to the “trustee,” upon learning of the commencement of a bankruptcy case by the debtor, also requires a custodian to turn over such property to a debtor in possession in a chapter 11 case, where a trustee has not been appointed. See 11 U.S.C. § 1107(a). Shady Bird concedes that a receiver appointed by a state court is a “custodian” subject to Section 543(b). See 11 U.S.C. § 101(11); In re Franklin, 476 B.R. 545, 551 (Bankr. N.D. Ill. 2012).

1 the best interests of the creditors are served by permitting a custodian to retain control of
2 the estate.¹² Franklin, 476 B.R. at 551 (citing In re Falconridge, LLC, 2007 WL 3332769
3 at *6-7 (Bankr. N.D. Ill. 2007). If such a showing is made, the burden shifts to the debtor
4 to show why turnover is appropriate. In re Plihal, 97 B.R. 561, 564 (Bankr. D. Neb.
5 1989).

6 At all times, the “paramount and sole concern is the interests of *all*
7 creditors.” Falconridge, 2007 WL 3332769, at *7 (citing In re KCC-Fund V, Ltd., 96 B.R.
8 237, 239 (Bankr. W.D. Mo. 1989) (emphasis in original). The interests of the debtor are
9 not to be considered. Falconridge, at *7 (citing Dill v. Dime Bank (In re Dill), 163 B.R.
10 221, 225 (E.D.N.Y. 1994)); Foundry of Barrington P’ship v. Barrett (In re Foundry of
11 Barrington P’ship), 129 B.R. 550, 557 (Bankr. N.D. Ill. 1991).

12 In determining whether a custodian of property of the debtor should be
13 excused from turnover, courts have reviewed the following:

14 • The likelihood of reorganization, and whether funds held by the
15 receiver are required for reorganization;¹³
16 • Whether the debtor mismanaged the property;
17 • Whether turnover would injure the creditors;
18 • Whether the debtor would use the property for the creditors’ benefit;
19 • Whether there are avoidance issues raised with respect to property
20 retained by a receiver, because a receiver does not possess avoiding powers for the
21 benefit of the estate; and
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24 ¹² The definition of a “preponderance of evidence” is evidence which is of greater weight or more
25 convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows
26 that the fact sought to be proved is more probable than not. Turmon v. Cooper (In re Cooper), 2012 Bankr.
LEXIS 6119, 2012 WL 8135655 (Bankr. E.D. Cal. 2012).

27 ¹³ An alternative statement of this factor is “the likelihood of a reorganization, and the probability that funds
28 required for reorganization will be available.” In re Northgate Terrace Apts., Ltd., 117 B.R. 328, 332 (Bankr.
S.D. Ohio 1990).

1 • The fact that the automatic stay has deactivated the state court
2 Receiver Action.¹⁴

3 Reduced to its core, the primary factors courts consider include “(1)
4 whether there will be sufficient income to fund a successful reorganization; (2) whether
5 the debtor will use the property for the benefit of its creditors; and (3) whether there has
6 been mismanagement by the debtor.” In re Orchards Vill. Invs., LLC., 405 B.R. 341, 353
7 (Bankr. D. Or. 2009) (quoting Dill, 163 B.R. at 225). Even if these three prongs are
8 resolved in favor of the debtor, the court still may excuse compliance if turnover would be
9 injurious to creditors. First Nat’l Bank v. Powers Aero Marine Services (In re Powers
10 Aero Marine Service), 42 B.R. 540 (Bankr. S.D. Tex. 1989). So, while “[r]eorganization
11 policy generally favors turnover of business assets to the debtor in a chapter 11 case,” it
12 is not axiomatic that receivers must, in each instance, turnover assets to a debtor.
13 Orchards Vill. Invs., 405 B.R. at 352.

14 For instance, where there is evidence establishing that the interests of
15 creditors would be better served by allowing the receiver to remain in possession and
16 control of property of the estate, courts have denied turnover motions by the debtor and
17 granted motions to excuse turnover. See Orchards Vill. Invs., supra, (excusing state
18 court receiver from turnover of assets to debtor under Section 543(d)(1), after applying
19 three relevant factors, where receivership had been in place for approximately six months
20 before the debtor filed for relief under chapter 11 and had improved substantially the
21 conditions which caused the court to appoint the receiver); In re Wallace, 2011 Bankr.
22 LEXIS 4382, 2011 WL 5827623 (Bankr. D. Idaho 2011) (consideration of Orchards Vill.
23 Invs. factors in light of record suggested that excusing receiver from requirements of
24 Section 543 was appropriate since debtors were unable to show how there would be
25 sufficient income to fund chapter 11 plan and court was not convinced debtors would act

26 _____
27 ¹⁴ See In re Attack Properties, LLC, 478 B.R. 337 (N.D. Ill. 2012) (citing Franklin, 476 B.R. at 551); Dill, 163
28 B.R. at 225.

1 in best interests of creditors); In re Bryant Manor, LLC, 422 B.R. 278 (Bankr. D. Kan.
2 2010) (receiver excused from compliance with Section 543 after finding that there were
3 serious issues as to likelihood of reorganization and whether there would be funds
4 available for reorganization if debtor regained control over property, and there were
5 deferred maintenance and upkeep issues on the property prior to the appointment of
6 receiver mandating retention of receiver so value of secured creditor's collateral would
7 not be diminished by failure to perform routine maintenance).

8 Here, although this case is in its infancy, the Project is not, and the pre-
9 petition events leading to this filing demonstrate why the interests of creditors will be
10 better served by excusing compliance with Section 543(b). In fact, each of the three
11 Orchards Vill. Invs. factors militate in favor of excusing compliance with the turnover
12 provisions of the Code.

13 First, there presently is a complete lack of income, let alone sufficient
14 income, to fund a successful reorganization.¹⁵ The Debtor has been in default of its
15 obligations under the Loan since October 1, 2019. Since that time, there has been no
16 refinancing of Shady Bird's debt, and a complete lack of any evidence showing that either
17 take out financing or additional construction financing has been (or will be) secured. In
18 fact, construction came to a halt due to the simple fact that the Debtor lacks the funds to
19 carry out even the most basic construction projects. Given the plight and deterioration of
20 the Project, there is no basis to assume that anything will change in the short term. And
21 during this time, the Project will continue to deteriorate as its infrastructure remains
22 subject to the elements and ongoing vandalism, which already has occurred.

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26 ¹⁵ The Debtor's first Monthly Operating Report filed on March 22, 2021 [Docket No. 40] showed that the
27 Debtor had \$0.00 in its debtor in possession accounts. Although the Debtor recently obtained an order
28 requiring the turnover of three accounts from Evertrust Bank and authorizing a DIP loan in an amount not to
exceed \$100,000 from the Debtor's affiliate, this hardly demonstrates an entity with sufficient capitalization
to accomplish anything but keep the Project insured and the lights on.

1 Second, there is no reason to believe the Debtor will use the Project for the
2 benefit of its creditors, including Shady Bird. As noted, the Project already has suffered
3 dramatically during the Debtor's ownership and its embarrassing attempt at construction,
4 and it will continue to suffer the longer it remains in the Debtor's hands. The Debtor has
5 no ability to restart, let alone complete, construction, and it lacks the ability to cure the
6 existing loan default or service Shady Bird's debt. This says nothing of the Debtor's
7 inability to compensate the multitude of vendors and contractors, many of whom have
8 filed mechanic's liens and *lis pendens* against the Property. None of these creditors
9 believe the Project should be returned to the Debtor.

10 Finally, the evidence of mismanagement and negligence is overwhelming.
11 The events surrounding the pre-petition termination and post-petition resuscitation of the
12 Ground Lease more than demonstrates the Debtor's dishonesty. In addition, the fact that
13 a Receiver was appointed further establishes that the state court agreed with Shady
14 Bird's concerns that the current state of disrepair and lack of insurance warranted the
15 drastic remedy of appointing a receiver to assume control over the Project. The Report
16 prepared by Urban Advisory only reinforces why the appointment of a receiver was
17 desperately needed and should not be disturbed.

18 As such, only an independent state court neutral, not the incompetent,
19 dishonest, cash-poor Debtor, should remain in control of the Project. This will ensure that
20 the Project is insured, that the Project is secured, and that either a buyer is located who
21 will fund the final construction costs and will ensure that past and future contractors and
22 suppliers are timely paid, or a foreclosure sale will occur which will allow Shady Bird to
23 take control over this Project.

24 Thus, it is in the best interests of creditors, as well as the Debtor, that the
25 construction project and development be stabilized by the Receiver. Time is of the
26 essence with this Project; the longer it sits in its present dilapidated state, the more its
27 value erodes to the prejudice of Shady Bird and other creditors. These objectives cannot
28 possibly be achieved if the Court displaces the Receiver and compels turnover under

1 Section 543(b). The Debtor has no funds available that it can use to do any work
2 towards completing the construction of the Project, and, without post-petition financing
3 (which is unrealistic at this point), the Debtor has no money with which to perform any
4 work on the Project or to fund its chapter 11 case.

5 All of this compels the conclusion that the Debtor has no ability to complete
6 the Project, let alone complete and stabilize the Project. That leaves the existing state
7 court receivership as the only viable option for ensuring that the Project's value does not
8 further depreciate, and for stabilizing the Project pending a sale or foreclosure. Under
9 these circumstances, the only viable choice is for this Court to allow the Receiver to
10 continue to perform and control the stabilization of the Project, under the supervision and
11 control of the state court. That, in turn, requires this Court to excuse the Receiver's
12 compliance with Section 543(b). Not only is this decision compelled by the
13 circumstances, but also, it will avoid what appear to be delays and inefficiencies that
14 inevitably would result if the Debtor were permitted to displace the Receiver and regain
15 control of the Project.

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1 V.

2 **CONCLUSION**

3 Based on the foregoing, Shady Bird respectfully requests that the Motion be
4 granted in all respects, and for such other and further relief as the Court deems just and
5 proper under the circumstances.

6 DATED: March 25, 2021

SulmeyerKupetz
A Professional Corporation

7
8
9 By: /s/ Daniel A. Lev

Daniel A. Lev
Attorneys for Shady Bird Lending, LLC

10
11 DATED: March 25, 2021

Law Offices of Ronald Richards & Associates, APC

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13
14 By: /s/ Ronald Richards

Ronald Richards
Attorneys for Shady Bird Lending, LLC

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DECLARATION OF RONALD RICHARDS

I, Ronald Richards, declare and state as follows:

1. At all times relevant hereto, I have been the non-member, manager for Shady Bird Lending, LLC, a California limited liability company ("Shady Bird"). In this capacity, I have personal knowledge of the facts set forth in this declaration, and if called as a witness for this purpose, I could and would testify competently under oath to them.

2. I make this declaration in support of the "Motion of Shady Bird Lending, LLC for Order Excusing State Court Receiver From Turnover of Assets Pursuant to 11 U.S.C. § 543; Memorandum of Points and Authorities; Declarations of Ronald Richards, Bellann R. Raile, and Brent Little in Support Thereof" (the "Motion"), through which Shady Bird, the holder of the senior deed of trust on the real property bearing APN Nos. 276-361-20 and 276-361-22, consisting of a partially constructed 178-room, seven story hotel building located in Buena Park, California (the "Project") owned by the debtor The Source Hotel, LLC (the "Debtor"), seeks an order, among other things, excusing the state court receiver from turnover of the Debtor's assets, including the Project, and authorizing the state court receiver, on an interim basis, to take the steps necessary and appropriate to preserve and protect the assets of the Debtor pursuant to 11 U.S.C. § 543(d)(1).

3. I am not a member or owner of Shady Bird, but I am the only one who is authorized to execute settlements or act on behalf of the entity.

4. Shady Bird is the assignee of that certain construction loan (the "Loan") entered into on or about May 24, 2016, by and between Evertrust Bank (the "Original Lender") and the Debtor, in the principal amount of \$24,988,808. The Loan was made pursuant to a Construction Loan Agreement (the "Loan Agreement") dated May 24, 2016, between the Debtor and Original Lender. The purpose of the Loan was for the development and construction of a 178-room, 7 story hotel project. In addition to the Project, the Debtor is the ground lessee under a 99-year "Memorandum of Ground Lease" (the "Ground Lease") with ground lessor, The Source at Beach, LLC (the "Ground

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1 Lessor"). Although the Ground Lease was terminated on February 16, 2021, by Ground
2 Lessor, not surprisingly, the termination was just rescinded. However, the defaults which
3 caused the termination notice to be sent still remain.

4 5. In furtherance of the Loan Agreement, as evidence of the Loan, and
5 for value received in the maximum principal amount of \$29,500,000 by the Debtor from
6 Original Lender, the Debtor executed and delivered to Original Lender the Promissory
7 Note (the "Note"). According to the Note, the Debtor agreed to make monthly payments
8 of interest commencing on July 1, 2016, until the Note's original maturity date of
9 December 1, 2017 (the "Original Maturity Date"). Upon the Original Maturity Date, the
10 entire unpaid principal, all accrued interest, and other costs and fees were due and
11 payable without demand or notice. As explained below, pursuant to five extension
12 agreements, the Original Maturity Date was extended to November 1, 2019 (the "Maturity
13 Date"). An event of default under the Note is defined as any event of default under the
14 Loan Agreement.

15 6. To secure repayment and performance of the Debtor's obligations
16 under, *inter alia*, the Loan Agreement and Note, the Debtor executed and delivered to
17 Original Lender a deed of trust (the "Deed of Trust") pursuant to which, *inter alia*, Original
18 Lender was granted a first priority lien against the Debtor's rights in the Project and the
19 Ground Lease. Specifically, the Deed of Trust grants Original Lender, and Shady Bird,
20 as its assignee, a first priority security interest and lien in the Debtor's leasehold interest
21 in the Project; all right, title, and interest in and to the Ground Lease; rents, income and
22 profits arising from or pursuant to the Ground Lease; and the use, occupancy, and
23 enjoyment of the Project along with all other real and personal property described in the
24 Deed of Trust. The Deed Trust further grants, transfers, and assigns to Shady Bird, as
25 assignee, all of the Debtor's right, title, and interest in and to any building, improvements,
26 fixtures, structures, and equipment located or erected on the Project (collectively, the
27 "Improvements").

28

1 7. The Deed of Trust also requires the Debtor to maintain insurance on
2 the Project (as defined therein) and to protect Shady Bird's security interest in the Project
3 against loss or damage by fire and other risks. As assignee, Shady Bird also shall be
4 named as the primary loss payee under all of the insurance policies and the Debtor is
5 required to assure that Shady Bird receives a certificate from each insurance company
6 that acknowledges Shady Bird's position as loss payee and that states that the insurance
7 policy cannot be terminated as to Shady Bird except upon 30-days prior written notice.

8 8. The Deed of Trust further requires the Debtor to maintain and
9 preserve the Project, including, *inter alia*: (i) keeping the Project in good condition and
10 repair; (ii) using commercially reasonable efforts to complete or restore promptly and in
11 good and workmanlike manner the Project, or any part thereof, which may be damaged
12 or destroyed; (iii) not committing or permitting material physical waste of the Project or
13 any portion thereof; and (iv) doing all other acts which from the character or use of the
14 Project may be reasonably necessary to maintain, preserve, and enhance its value and
15 otherwise performing such appropriate upkeep and maintenance to the Project to ensure
16 that the Project, and each part thereof, is maintained in a first-class manner and retains
17 at all times a first-class appearance and condition.

18 9. According to the Deed of Trust, Shady Bird is provided the right to
19 inspect the Project for purposes of ensuring the Debtor's compliance with its obligations
20 under the Deed of Trust. Finally, the Deed of Trust not only gives Shady Bird the right to
21 perform various acts in the event of the Debtor's failure to perform in order to protect the
22 collateral, but it also allows Shady Bird to bring an action for specific performance or for
23 appointment of a receiver to take possession of the Project and operate the business of
24 the Debtor, if any, being conducted on the Project.

25 10. The Loan and Note originally matured on the Original Maturity Date
26 of December 1, 2017. Thereafter, at the request of the Debtor and the guarantors of the
27 Loan and Note, namely, Donald Chae and Min Chae (collectively, the "Guarantors"), the
28 Debtor, Guarantors, and Original Lender entered into a "First Extension Agreement"

1 dated December 22, 2017 (the “First Extension”), whereby, *inter alia*, pursuant to the
2 terms therein, (i) the Original Maturity Date was extended to June 1, 2018, and (ii) the
3 completion date of the Project was extended to June 1, 2018. Thereafter, pursuant to a
4 “Second Extension Agreement,” “Third Extension Agreement,” “Fourth Extension
5 Agreement,” and “Fifth Extension Agreement” (collectively with the First Extension, the
6 “Extension Agreements”), the Original Maturity Date of the Loan, Loan Agreement, and
7 Note, and the completion date of the Project, were extended to November 1, 2019 (the
8 “Maturity Date”).

9 11. As noted, Shady Bird is the assignee of all of Original Lender’s right,
10 title, and interest in and to, *inter alia*, the Loan, Loan Agreement, Note, and Deed of
11 Trust. In this regard, in exchange for good and valuable consideration and in furtherance
12 of a “Non-Recourse Loan Sale Agreement and Joint Escrow Instructions” (the “Loan Sale
13 Agreement”) and an “Assignment of Loan Documents” dated December 29, 2020 (the
14 “Assignment of Loan Documents”), Original Lender executed and delivered to Shady Bird
15 an “Assignment of Deed of Trust” dated December 29, 2020, and recorded on January 4,
16 2021, whereby Original Lender assigned and transferred to Shady Bird all of Original
17 Lender’s right, title, and interest in and to the Loan Agreement, the Note, and Deed of
18 Trust. As such, Shady Bird is the lawful owner and holder of the Note and the Loan
19 Agreement and is the beneficiary of the Deed of Trust. Moreover, pursuant to an
20 “Allonge” to the Note dated December 29, 2020, all amounts due and owing on the Note
21 by the Debtor are now payable to Shady Bird.

22 12. Due to the Debtor’s defaults under the Loan Agreement, Note, and
23 Deed of Trust for the following undisputed reasons, Shady Bird was left with no
24 alternative but to exercise its rights to not only commence a non-judicial foreclosure sale,
25 but to seek the appointment of a receiver. Specifically, the following defaults warranted
26 such drastic relief:

27 • The Debtor’s failure to make the payment of interest due under the
28 Note on October 1, 2019;

- 1 • The Debtor's failure to repay the total indebtedness on the Loan,
- 2 Note, and Loan Agreement by the Maturity Date;
- 3 • The Debtor's failure to complete the construction of the Project by
- 4 the Maturity Date;
- 5 • The Debtor's failure to timely pay its contractors and other third
- 6 parties resulting in multiple mechanic's being recorded against the Project and the
- 7 Debtor's failure to furnish a sufficient bond causing such liens to be released or giving
- 8 other satisfactory indemnity within ten days of recording;
- 9 • The Debtor's failure to take reasonable measures to maintain,
- 10 protect, and secure the Project under the Deed of Trust;
- 11 • The Debtor's failure to prevent the Project from becoming
- 12 vandalized, damaged, destroyed, and deteriorated;
- 13 • The Debtor's failure to prevent material physical waste of the Project;
- 14 • The Debtor's failure to allow Shady Bird to enter upon and inspect
- 15 the Project;
- 16 • The Debtor's failure to provide evidence of and certificates of
- 17 insurance to Shady Bird upon request;
- 18 • The Debtor's failure to allow inspections by the City of Buena Park
- 19 and ceasing communications with the City, negatively affecting the permitting process
- 20 and the ability to complete the Project;
- 21 • The Debtor's failure to maintain various systems and improvements
- 22 on the Project such as the elevator, electrical, HVAC, and plumbing;
- 23 • The Debtor's failure to provide any security for the Project and
- 24 improvements; and
- 25 • The Debtor's failure to timely test the fire-life safety systems which
- 26 could completely destroy the Project.

27 13. In addition, as alluded to earlier, on February 16, 2021, Shady Bird
28 received a "Notice of Default Under, and Exercise of Option to Terminate, Ground Lease"

1 from the Ground Lessor, advising Shady Bird that the Ground Lease was being
2 immediately terminated. A true and correct copy of the termination notice is attached
3 hereto as Exhibit "A" and incorporated herein by reference. On March 22, 2021, Shady
4 Bird received a notice of rescission from the Ground Lessor, however, the defaults that
5 first occasioned the termination remain.

6 14. As a result of the foregoing defaults, the principal sum of not less
7 than \$24,988,808.74 is due and owing to Shady Bird. Hence, Shady Bird, as assignee,
8 initiated a non-judicial foreclosure under the Deed of Trust, and a foreclosure sale was
9 scheduled for March 1, 2021. Shady Bird also exercised its remedies under the Deed of
10 Trust by seeking the *ex parte* appointment of a receiver. On February 17, 2021, the state
11 court granted Shady Bird's request and the Receiver was appointed. A true and correct
12 copy of the February 17, 2021, order is attached hereto as Exhibit "B" and incorporated
13 herein by reference. The Receiver assumed immediate control of the Project, but due to
14 the chapter 11 filing, the March 1, 2021, foreclosure sale did not proceed.

15 15. The Debtor and Guarantors also are liable for additional amounts on
16 the Note, Loan Agreement, and guaranty for interest, default interest, late fees, and costs
17 and attorneys' fees incurred by Original Lender and Shady Bird in connection with
18 collection and enforcement of, *inter alia*, the Note, Loan Agreement, and guaranty.
19 These amounts are preserved by Shady Bird, and are not waived in any action or
20 proceeding as a result of these cases.

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1 16. Due to the serious issues identified by the Receiver, it is in the best
2 interests of Shady Bird and other creditors that the Project remain under the custody,
3 control, and possession of the Receiver. Time is of the essence with this Project; the
4 longer it sits in its present dilapidated state, the more its value erodes to the prejudice of
5 Shady Bird and other creditors. As such, only the Receiver should remain in control of
6 the Project. This will ensure that the Project is insured, that the Project is secured, and
7 that either a buyer is located who will fund the final construction costs and will ensure that
8 past and future contractors and suppliers are timely paid, or a foreclosure sale will occur
9 which will allow Shady Bird to take control over this Project.

10 I declare under penalty of perjury under the laws of the United States of
11 America that the foregoing is true and correct.

12 Executed this 25th day of March, 2021, at Los Angeles, California.

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14 /s/ Ronald Richards
15 Ronald Richards
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DECLARATION OF BELLANN R. RAILE

I, Bellann R. Raile, declare and state as follows:

1. I am over the age of eighteen and am the duly appointed, qualified, and acting state court receiver for the real property bearing APN Nos. 276-361-20 and 276-361-22, consisting of a partially constructed 178-room, seven story hotel building located in Buena Park, California (the "Project") owned by the debtor The Source Hotel, LLC (the "Debtor"). The facts stated herein are true of my own personal knowledge and I could and would competently testify thereto as follows.

2. I make this declaration in support of the "Motion of Shady Bird Lending, LLC for Order Excusing State Court Receiver From Turnover of Assets Pursuant to 11 U.S.C. § 543; Memorandum of Points and Authorities; Declarations of Ronald Richards, Bellann R. Raile, and Brent Little in Support Thereof" (the "Motion"), through which Shady Bird Lending, LLC ("Shady Bird"), the holder of the senior deed of trust on the real property bearing APN Nos. 276-361-20 and 276-361-22, consisting of a partially constructed 178-room, seven story hotel building located in Buena Park, California owned by the debtor The Source Hotel, LLC (the "Debtor"), seeks an order, among other things, excusing me, as the appointed state court receiver, from turnover of the Debtor's assets, including the Project, and authorizing me, as receiver, on an interim basis, to take the steps necessary and appropriate to preserve and protect the assets of the Debtor pursuant to 11 U.S.C. § 543(d)(1).

3. After my appointment as receiver on February 17, 2021, I immediately undertook those duties imposed on me by the operative order and applicable state law. I have personally viewed and inspected the Project, have ordered an inspection report from Urban Advisory and Building Group, LLC ("Urban Advisory"), and have attempted to gain an understanding of the financial position and structure of the Debtor. Although I was only appointed on February 17, 2021, it is clear to me that there are no substantial business operations being performed by the Debtor at the Project.

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1 4. Specifically, the Debtor's hotel is only partially constructed and is
2 completely non-operational. For instance, the hotel is not permitted for occupancy and is
3 not generating a single dollar of income. There are no rooms for let, there is no
4 electricity, there is no running water, there are no functioning systems for HVAC or fire-
5 life safety, there are no restaurants, there are no bars, there are no gift shops, there are
6 no retail stores, there are no pools or spas, there are no ballrooms, there is no fitness or
7 business center, and there is no convention space. In other words, this is not a
8 functioning hotel. More troubling are the conclusions of Urban Advisory as contained in
9 its "Property Inspection Report for The Source OC Hilton Hotel," dated March 10, 2021
10 (the "Report"). The Report details the serious issues of neglect, waste, and disrepair at
11 the Project.

12 5. As further evidence of this fact, I commissioned a series of
13 photographs to be taken of the Project, showing its current state of construction and
14 disrepair as of the date of my appointment. True and correct copies of a series of
15 photographs I commissioned are attached hereto as Exhibit "C" and incorporated herein
16 by reference.

17 6. As receiver, I am tasked with, among other things, taking possession
18 of and managing the Project, collecting any income from the Project (of which there is
19 none in this case), caring for the Project and incurring expenses necessary for that care,
20 including procuring the necessary insurance, and securing the Project, including
21 changing any locks.

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1 7. In this regard, I have assumed control over the Project, and have
2 taken the steps to ensure that the Project and the improvements located at the site are
3 insured and secured. My goal is to stabilize the Project pending a sale or foreclosure.
4 Given the current physical state of the Project, and the lack of any income to allow for
5 construction to be completed, in my experience, the only viable alternative is to allow me
6 to continue to perform and control the stabilization of the Project, under the supervision
7 and control of the state court. That, in turn, requires this Court excuse my compliance
8 with Section 543(b). I believe that such a decision would be in the best interests of
9 creditors of the Debtor's estate.

10 I declare under penalty of perjury under the laws of the United States of
11 America that the foregoing is true and correct.

12 Executed this 11th day of March, 2021, at Los Angeles, California.

13 
14 Bellann R. Raile

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DECLARATION OF BRENT LITTLE

I, Brent Little, declare and state as follows:

1. I am over the age of eighteen and am a principal of Urban Advisory and Building Group, LLC ("Urban Advisory"). I am a licensed general contractor and hold a bachelor of arts degree in Geography from California State University, Fullerton, with an emphasis in urban planning. I have been the principal of several construction, development, and consulting firms for the past twenty-five years. The facts stated herein are true of my own personal knowledge and I could and would competently testify thereto as follows.

2. I make this declaration in support of the "Motion of Shady Bird Lending, LLC for Order Excusing State Court Receiver From Turnover of Assets Pursuant to 11 U.S.C. § 543; Memorandum of Points and Authorities; Declarations of Ronald Richards, Bellann R. Raile, and Brent Little in Support Thereof" (the "Motion"), through which Shady Bird, the holder of the senior deed of trust on the real property bearing APN Nos. 276-361-20 and 276-361-22, consisting of a partially constructed 178-room, seven story hotel building located in Buena Park, California (the "Project") owned by the debtor The Source Hotel, LLC (the "Debtor"), seeks an order, among other things, excusing the state court receiver from turnover of the Debtor's assets, including the Project, and authorizing the state court receiver, on an interim basis, to take the steps necessary and appropriate to preserve and protect the assets of the Debtor pursuant to 11 U.S.C. § 543(d)(1).

3. Recently, Urban Advisory was retained by Bellann R. Raile (the "Receiver"), who I understand is duly appointed, qualified, and acting state court receiver for the Project owned by the Debtor. Urban Advisory specifically was retained by the Receiver to provide her with an analysis and written report of the current physical condition of the Project.

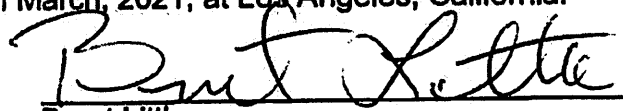
4. In this regard, Steve Cienfuegos, a licensed general contractor employed by Urban Advisory, and I conducted two on-site inspections of the Project, the

1 first on March 3, and the second on March 9, 2021. In addition to our personal
2 inspection, we also reviewed various stamped approved plans and interviewed several
3 individuals either familiar with the Project or a particularly relevant building system. As a
4 result of our on-site inspections and analysis, we prepared and sent to the Receiver a
5 "Property Inspection Report for The Source OC Hilton Hotel," dated March 10, 2021 (the
6 "Report"). A true and correct copy of the Report is attached hereto as Exhibit "D" and
7 incorporated herein by reference.

8 5. In sum, and as detailed in the Report, the hotel is an idled
9 construction project which is roughly 70% complete. Crucially, there are significant
10 issues of neglect, potential hazardous situations, and safety and environmental concerns
11 at the Project. Among the areas of concern are the following: (i) there are substantial
12 roof issues which currently permit the intrusion of water into the structure, (ii) the
13 construction assemblies on the roof are incomplete and create an opportunity for water
14 infiltration, (iii) the fire sprinkler system is not currently capable of providing life-safety
15 protection for the Project, (iv) due to neglect and exposure to UV rays, the pool deck will
16 need substantial repair, (v) the pool has an accumulation of water and trash making it a
17 breeding ground for mosquitos, which may carry the West Nile Virus, (vi) completed
18 business finishes are not being protected and are exposed to waste or damage, (vii) a
19 potentially hazardous situation may exist if the building sewer system is not connected to
20 the public system, (viii) HVAC package units have been left unsecured and accessible to
21 thieves and vandals, and (ix) there are hazardous and caustic chemicals unsecured at
22 the Project. As noted, these are merely some of the highlights of the Report.

23 I declare under penalty of perjury under the laws of the United States of
24 America that the foregoing is true and correct.

25 Executed this 11th day of March, 2021, at Los Angeles, California.

26 
27 Brent Little
28

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EXHIBIT A

TO:

The Source Hotel, LLC ("Lessee")
3100 E. Imperial Highway
Lynwood, CA 90262
Attention: Min Chae and Donald Chae

With a copy to: Lim, Ruger & Kim, LLP
1055 West Seventh Street, Suite 2800
Los Angeles, CA 90017
Attention: Real Estate Department

Shady Bird Lending, LLC ("Lender")
c/o LAW OFFICES OF RONALD RICHARDS & ASSOCIATES, A.P.C.
Ronald N. Richards
P.O. Box 11480
Beverly Hills, CA 90213

LAW OFFICES OF GEOFFREY LONG, A.P.C.
Geoffrey S. Long
1601 N. Sepulveda Blvd., No. 729
Manhattan Beach, CA 90266

Trustee:

STEWART TITLE OF CALIFORNIA, INC.
200 E. Sandpointe Ave., Suite 150
Santa Ana, California 92707

NOTICE OF DEFAULT UNDER, AND EXERCISE OF OPTION TO TERMINATE, GROUND LEASE

The Source at Beach, LLC ("Lessor") as the ground lessor under that certain GROUND LEASE by and between THE SOURCE AT BEACH, LLC, a California limited liability company ("Lessor") and THE SOURCE HOTEL, LLC, a California limited liability company ("Lessee") dated as of the 6th day of April, 2015, including any amendments thereto ("Ground Lease"), hereby gives notice to the Lessee, Lender and Trustee named above of the occurrence of Events of Default under the Ground Lease, and further gives notice of and does hereby, exercise its option to terminate the Ground Lease effective immediately. Such exercise is based on, *inter alia*, the following:

Article 21.1 of the Ground Lease defines certain events, the occurrence of which constitutes an Event of Default. Events of Default include, among others, (1) any failure by Lessee to observe and perform any provision of the Ground Lease [Article 21.1(b)] and (2) the foreclosure of any mechanic's lien [Article 21.1(g)].

Article 11.1 of the Ground Lease, as amended on June 14, 2019, requires Lessee "to construct or cause to be constructed to substantial completion upon the Hotel Complex Premises on or prior to

December 1, 2019, all Improvements, which Improvements shall be constructed in accordance with plans and specifications first approved in writing by Lessor.” (bold in original).

An Event of Default has occurred as a result of Lessee’s failure to construct or cause to be constructed to substantial completion upon the Hotel Complex Premises all Improvements on or prior to December 1, 2019 in violation of Article 11.1, as amended.

Further, Lessor has received copies of Notices of *Lis Pendens*, copies attached, reflecting the commencement of foreclosures of numerous mechanic’s liens, a violation of Article 20.1(c) and hence an Event of Default.

The foregoing notice is given and the exercise of said option to terminate is made, without prejudice to any other rights Lessor may have under the Ground Lease or any other agreements, documents or instruments related thereto.

Dated: February 16, 2021

By:



Name: Raymond B. Kim
Meylan Davitt Jain Arevian & Kim LLP

Title: Attorneys for Ground Lessor
The Source at Beach, LLC

1

RECORDING REQUESTED BY
Splinter & Thai, LLP
WHEN RECORDED MAIL TO

Splinter & Thai, LLP
25124 Narbonne Ave., #106
Lomita, CA 90717

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder

HITS



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NOTICE OF PENDENCY OF

ACTION (LIS PENDENS)

IT
60
FF
23
62

1 Robert G. Splinter, Esq., Bar #78284
2 Mln N. Thal, Esq., Bar #232770
3 SPLINTER & THAI, LLP
4 25124 Narbonne Avenue, Ste. 106
5 Lomita, California 90717-2140
(310) 539-6334 telephone
(310) 539-2467 facsimile

6 Attorney for Plaintiff,
7 RESCO ELECTRIC INC.,
8 a California corporation

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF ORANGE
11

12 RESCO ELECTRIC INC.,
13 a California corporation,

14 Plaintiff
15

16 vs.

17 GREENLAND CONSTRUCTION SERVICE, LLC,
18 THE SOURCE HOTEL, LLC,
19 and DOES 1 through 50, inclusive,

20 Defendants
21

CASE NO.: 30-2020-01135027
CU-OR-CJC

NOTICE OF PENDENCY
OF ACTION (LIS PENDENS)

22 NOTICE IS HEREBY GIVEN that the above-entitled action stating a real property
23 claim was commenced on February 27, 2020, in the above named Court by plaintiff,
24 Resco Electric, Inc., a California corporation, against Greenland Construction Service,
25 LLC, The Source Hotel, LLC and DOES 1 through 50, inclusive, which is now pending in
26 the above-named Court.
27
28

NOTICE OF PENDENCY OF ACTION

1 This action affects title to and the right to possession of specific property situated
2 in Orange County, California, specifically described as follows:

- 3
4 1. Commonly known as: 6986 Beach Boulevard, Buena Park, CA 90621.
5 Legal Description: PM 391-4 POR PAR 4 (POR OF 7TH FLOOR HOTEL &
6 ROOF PARCEL) TR 1756
7 Assessor's Parcel Number: 276-361-45

8
9 Plaintiff seeks by the action to have the interest of Plaintiff and Defendants
10 determined and the property sold, and the proceeds divided according to law. The parties
11 to the action are set forth in the title to the action.

12 DATED: March 2, 2020

SPLINTER & THAI, LLP

13
14 

15 MIN N. THAI
16 Attorney for Plaintiff,
17 RESCO ELECTRIC, INC.

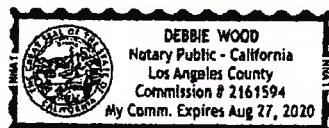
18 A notary public or other officer completing this certificate verifies only the identity of the individual who signed The
document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

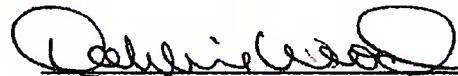
19 State of California)
20 County of Los Angeles)

21 On March 2, 2020, before me, Debbie Wood, a Notary Public in and for said State, personally
22 appeared MIN N. THAI, who proved to me on the basis of satisfactory evidence to be the person(s) whose
23 name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed
the instrument in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the
instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

24 I certify under penalty of perjury under the laws of the State of California that the foregoing
25 paragraph is true and correct.

26 WITNESS my hand and official seal.





2
NOTICE OF PENDENCY OF ACTION

PROOF OF SERVICE BY CERTIFIED MAIL - 1013a, 2015.5 C.C.P.

STATE OF CALIFORNIA)
 }ss.
COUNTY OF LOS ANGELES)

I am resident of/employed in the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is 25124 Narbonne Avenue, Suite 106, Lomita, California 90717.

On March 2, 2020, I served the within NOTICE OF PENDENCY OF ACTION (LIS PENDENS) on the interested parties in said action by placing a true copy thereof enclosed in a sealed envelope, with postage thereon fully prepaid, and addressed as set out below by "Certified Mail – Return Receipt Requested":

Greenland Construction Service, LLC
6940 Beach Boulevard, #D-301
Buena Park, CA 90621

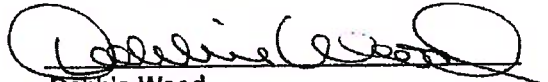
The Source Hotel LLC
6986 Beach Boulevard
Buena Park, CA 90621

The Source Hotel LLC
6940 Beach Boulevard, #D-301
Buena Park, CA 90621

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the United States Postal Service on that same day with first-class postage thereon fully prepaid at Lomita, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or the postage meter date is more than one day after the date of deposit for mailing in the affidavit.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on March 2, 2020, at Lomita, California.


Debbie Wood

RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:
RECORDING REQUESTED BY:
Retrolock Corp.
AND WHEN RECORDED MAIL DOCUMENT TO:
Grant Nigolian
695 Town Center Drive, Suite 700
Costa Mesa, CA 92626

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



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2020000613064 3:37 pm 10/28/20

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THIS SPACE IS FOR RECORDERS USE ONLY

HITS

NOTICE OF PENDENCY OF ACTION
(LIS PENDENS)

(Title of Document)

Per Government Code 27388.1(a)(1) "A fee of \$75 dollars shall be paid at the time of recording on every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel or real property. "

- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); is a transfer subject to the imposition of documentary transfer tax", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); is a transfer of real property that is a residential dwelling to an owner-occupier", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(1); fee cap of \$225 reached"
- ☐ Exempt from SB2 fee per GC 27388.1(a)(1); not related to real property

Failure to include an exemption reason will result in the imposition of the SB2 Building Homes and Jobs Act Fee.

****NOT APPLYING FOR EXEMPTION**

LT
SP
K
C
SB

1 GRANT NIGOLIAN, P.C.
2 Grant A. Nigolian (Bar No. 184101)
3 695 Town Center Drive, Suite 700
4 Costa Mesa, CA 92626
5 Tel: (310) 853-2777

6 Attorneys for Plaintiffs,
7 Retrolock Corp.

8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF ORANGE – CENTRAL JUSTICE CENTER**

10 RETROLOCK CORP., a California
11 corporation;

12 Plaintiffs,

13 vs.

14 GREENLAND CONSTRUCTION SERVICE,
15 LLC, a California corporation; THE SOURCE
16 HOTEL, LLC, a California corporation;
17 BUSINESS ALLIANCE INSURANCE
18 COMPANY, a California corporation; and
19 DOES ONE (1) through TWENTY (20),
20 inclusive;

21 Defendants.

) Case No: 30-2020-01163206-CU-CL-CJC

)
) **NOTICE OF PENDENCY OF ACTION**
) **(LIS PENDENS)**

) [Cal. Code Civ. Proc. § 405.20]

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NOTICE OF PENDENCY OF ACTION (LIS PENDENS)

1 NOTICE IS GIVEN that the above entitled action was commenced on October 2, 2020, by
2 Retrolock Corp. in the above entitled court and concerns real property or affects the title or right of
3 possession of real property.

4 The names of all defendants to the action are as follows: Greenland Construction Service,
5 LLC; The Source Hotel, LLC; and Business Alliance Insurance Company.

6 The property in question has an address of 6986 Beach Blvd., Buena Park, California,
7 90621, APN No. of 276-361-20 & 276-361-22, and is described as follows:

8 LOTS 2 THROUGH 9, INCLUSIVE, OF TRACT NO. 1756, IN THE
9 CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF
10 CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGES 20
11 AND 21 OF MISCELLANEOUS MAPS, TOGETHER WITH LOT 2 IN
12 BLOCK 61 OF BUENA PARK, IN SAID CITY, COUNTY AND STATE,
13 AS PER MAP RECORDED IN 18, PAGES 50 TO 52 INCLUSIVE, OF
14 MISCELLANEOUS MAPS, ALL IN THE OFFICE OF THE COUNTY
15 RECORDER OF SAID COUNTY, TOGETHER WITH THE SOUTH 30
16 FEET OF THE STREET ADJOINING SAID LOT ON THE NORTH
17 ABANDONED BY ORDER OF THE BOARD OF SUPERVISORS OF
18 ORANGE COUNTY FILED IN BOOK 8, PAGE 37 OF BOARD
19 MINUTES, ON AUGUST 2, 1911.

20 The owners or reputed owners of the real property is The Source Hotel, LLC.

21 The purpose of the action is to collect a debt and foreclose a mechanics lien recorded on July
22 24, 2020, as Instrument No. 2020000358872, Official Records of Orange County, California
23 ("Mechanics' Lien" - Exhibit 1), in which claimant Retrolock Corp. claims the sum of \$258,225.27.

24 DATED: October 2, 2020

GRANT NIGOLIAN, P.C.

Grant A. Nigolian

25 By: 

Grant A. Nigolian

26 Attorneys for Plaintiffs,
27 Retrolock Corp.
28

PROOF OF SERVICE

I am employed in the City of Costa Mesa, County of Orange, State of California. I am over the age of 18 years and not a party to the within action. My business address is 695 Town Center Drive, Suite 700, Costa Mesa, CA 92626. On the date signed below, I served the documents named below on the parties in this action as follows:

NOTICE OF PENDENCY OF ACTION (LIS PENDENS)

Upon the parties named below as follows: (See attached service list.)



(BY MAIL WHERE INDICATED) I caused the above referenced document(s) to be placed in an envelope, with postage thereon fully prepaid, and placed in the United States mail at Costa Mesa, California. I am readily familiar with the practice of the firm for collection and processing of correspondence for mailing, said practice being that in the ordinary course of business, mail is deposited in the United States Postal Service the same day as it is placed for collection. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.



(BY FACSIMILE WHERE INDICATED) The above-referenced document(s) was/were transmitted by facsimile transmission and the transmission was reported as complete and without error. Pursuant to Rule 2001 et. seq. of the Cal. Rules of Court, I caused the transmitting facsimile machine to issue properly a transmission report, a copy of which is attached to this Declaration, unless service by facsimile transmission was executed as a matter of professional courtesy.



(BY PERSONAL DELIVERY WHERE INDICATED) I caused the above-referenced document(s) to be personally delivered to the person and/or the address listed above.



(BY FEDERAL EXPRESS WHERE INDICATED) I am readily familiar with the practice of the firm for the collection and processing of correspondence for overnight delivery and know that the document(s) described herein will be deposited in a box or other facility regularly maintained by Federal Express for overnight delivery.



(STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.



(FEDERAL) I declare under penalty of perjury under the laws of the United States of America the above it true and correct.

Executed on October 28, 2020, at Costa Mesa, California. Daniel Kaplan
Daniel Kaplan

Service List: *Retrolock Corp., adv. Greenland Construction Service, LLC, et al.*
(O.C.S.C. Case No. 30-2020-01163206-CU-CL-CJC)

Greenland Construction Service, LLC
c/o Summer Bridges (Reg. Agent)
6960 Beach Blvd., Unit J205
Buena Park, CA 90621
Defendants
(via Certified Mail, return receipt requested)

The Source Hotel, LLC
c/o Summer Bridges (Reg. Agent)
6960 Beach Blvd., Unit J205
Buena Park, CA 90621
Defendants
(via Certified Mail, return receipt requested)

Business Alliance Insurance Company
Steve Barsotti (Reg. Agent)
400 Oyster Point Blvd.
Suite 327
South San Francisco, CA 94080
Defendants
(via Certified Mail, return receipt requested)

Lender's Foreclosure Services
ATTN: Louisa Zavala, Trustee's Sale Officer
P.O. Box 92086
City of Industry, CA 91715
(via Certified Mail, return receipt requested)

96

RECORDING REQUESTED BY:

Iron Mechanical, Inc.

WHEN RECORDED, RETURN TO:

William L. Porter, Esq.
Hannah Kreuser, Esq.
Porter Law Group, Inc.
7801 Folsom Boulevard, Suite 101
Sacramento, California 95826

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



97.00

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HITS

NOTICE OF PENDENCY OF ACTION

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OF
SB

PORTER LAW GROUP, INC.
William L. Porter, Esq. [133968]
Hannah C. Kreuser, Esq. [322959]
7801 Folsom Boulevard, Suite 101
Sacramento, California 95826
Telephone: 916-381-7868
Facsimile: 916-381-7880

Attorneys for Plaintiff
IRON MECHANICAL, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE

—oo0oo—

IRON MECHANICAL, INC.,

Plaintiff,

v.

GREENLAND CONSTRUCTION
SERVICE, LLC, a California limited liability
company; THE SOURCE HOTEL, LLC, a
California limited liability company; THE
SOURCE AT BEACH LLC, a California
limited liability company; BEACH
ORANGETHORPE HOTEL, LLC, a
California limited liability company; BEACH
ORANGETHORPE HOTEL II, LLC, a
California limited liability company;
EVERTRUST BANK, a California
corporation; and DOES 1 through 90,
inclusive,

Defendants.

CASE NO. 30-2020-01146448-CU-BC-CJC

NOTICE OF PENDENCY OF ACTION

NOTICE IS HEREBY GIVEN that the above-entitled action was commenced and is now
pending in the above-entitled Court upon Complaint of Plaintiff, IRON MECHANICAL, INC.,
against Defendants, GREENLAND CONSTRUCTION SERVICE, LLC, a California limited
liability company; THE SOURCE HOTEL, LLC, a California limited liability company; THE
SOURCE AT BEACH LLC, a California limited liability company; BEACH

- 1 -

NOTICE OF PENDENCY OF ACTION

1 ORANGETHORPE HOTEL, LLC, a California limited liability company; BEACH
2 ORANGETHORPE HOTEL II, LLC, a California limited liability company; EVERTRUST
3 BANK, a California corporation; and DOES 1 through 90, inclusive.

4 The above-entitled action alleges a real property claim affecting title to and/or possession
5 of real property in that Plaintiff, IRON MECHANICAL, INC., seeks foreclosure of a mechanics'
6 lien concerning real property located at 6986 Beach Blvd., Buena Park, CA 90621, APNs: 276-
7 361-29, -30, -32, -33, -35 through -45, inclusive, 276-361-56 through -62, inclusive.

8
9 Dated: August 4, 2020

PORTER LAW GROUP, INC.

10
11 By: 

12 William L. Porter
13 Attorneys for Plaintiff
14 IRON MECHANICAL, INC.
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1 **PORTER LAW GROUP, INC.**
William L. Porter, Esq. [133968]
2 **Hannah C. Kreuser, Esq. [322959]**
7801 Folsom Boulevard, Suite 101
3 **Sacramento, California 95826**
Telephone: 916-381-7868
4 **Facsimile: 916-381-7880**

5 **Attorneys for Plaintiff**
6 **IRON MECHANICAL, INC.**

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF ORANGE**

10 —oo0oo—

11 **IRON MECHANICAL, INC.,**

12 **Plaintiff,**

13 **v.**

14 **GREENLAND CONSTRUCTION**
15 **SERVICE, LLC, a California limited liability**
company; **THE SOURCE HOTEL, LLC, a**
16 **California limited liability company; THE**
SOURCE AT BEACH LLC, a California
17 **limited liability company; BEACH**
ORANGETHORPE HOTEL, LLC, a
18 **California limited liability company; BEACH**
ORANGETHORPE HOTEL II, LLC, a
19 **California limited liability company;**
EVERTRUST BANK, a California
20 **corporation; and DOES 1 through 90,**
inclusive,

21 **Defendants.**

CASE NO. 30-2020-01146448-CU-BC-CJC

PROOF OF SERVICE

22
23
24 I, the undersigned, declare that I am over the age of eighteen years and am not a party to
25 the within-entitled action; I am employed in the City and County of Sacramento, California; my
26 business address is 7801 Folsom Boulevard, Suite 101, Sacramento, California 95826.

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28
PROOF OF SERVICE

On the date below, I served the attached document(s) entitled:

NOTICE OF PENDENCY OF ACTION

on the interested parties in this action as follows:

<u>Greenland Construction Service, LLC</u> c/o Summer Bridges 6960 Beach Blvd., Unit J205 Buena Park, CA 90621	<u>The Source Hotel, LLC</u> c/o Summer Bridges 6960 Beach Blvd., Unit J205 Buena Park, CA 90621
<u>The Source at Beach, LLC</u> c/o Summer Bridges 6960 Beach Blvd., Unit J205 Buena Park, CA 90621	<u>Beach Orangethorpe Hotel, LLC</u> c/o Summer Bridges 6960 Beach Blvd., Unit J205 Buena Park, CA 90621
<u>Beach Orangethorpe Hotel II, LLC</u> c/o Summer Bridges 6960 Beach Blvd., Unit J205 Buena Park, CA 90621	<u>Evertrust Bank</u> c/o Minna M. Tsao 2 N. Lake Ave., Suite #1030 Pasadena, CA 91101

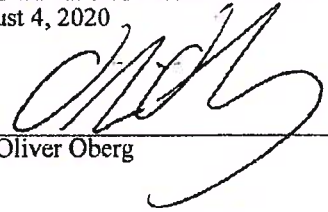
(XX) (BY REGULAR MAIL) By placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the ordinary course of business for collection and mailing that same date at PORTER LAW GROUP, INC., 7801 Folsom Boulevard, Suite 101, Sacramento, California. I declare that I am readily familiar with the business practice of PORTER LAW GROUP INC. for collection and processing of correspondence for mailing with the United States Postal Service and that the correspondence would be deposited with the United States Postal Service that same day in the ordinary course of business.

() (BY OVERNIGHT DELIVERY) By placing a true copy thereof enclosed in a sealed envelope for delivery via Federal Express to the addressee(s) noted above.

() (EMAIL) I caused a true copy to be transmitted via email to the email addressee(s) noted above after party's address.

(XX) (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

I declare under penalty of perjury that the foregoing is true and correct and that this Declaration was executed at Sacramento, California on August 4, 2020


Oliver Oberg

- 2 -

PROOF OF SERVICE

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder

 94.00
* \$ R 0 0 1 2 0 0 8 5 1 0 \$ *

2020000471920 10:38 am 09/08/20

63 PP2A L08 4

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HITS

RECORDING REQUESTED BY:

Dustin Lozano, Esq.

WHEN RECORDED MAIL TO:

Dustin Lozano, Esq.
Hunt Ortmann Palfy Nieves
Darling & Mah, Inc.
301 North Lake Avenue
Seventh Floor
Pasadena, CA 91101-1807

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

NOTICE OF LIS PENDENS

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HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
301 NORTH LAKE AVENUE, 7TH FLOOR
PASADENA, CALIFORNIA 91101-1807
Tel (626) 440-5200 • Fax (626) 796-0107

1 Dale A. Ortmann, Esq., SBN 094226
ortmann@huntortmann.com
2 Dustin Lozano, Esq., SBN 296518
lozano@huntortmann.com
3 HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
4 301 North Lake Avenue, 7th Floor
Pasadena, California 91101-1807
5 Phone: (626) 440-5200 Fax: (626) 796-0107
6 Attorneys for Plaintiff Sunbelt Controls, Inc.

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF ORANGE, CENTRAL JUSTICE CENTER**
10

11 **SUNBELT CONTROLS, INC.**, a Delaware
corporation,

12 Plaintiff,

13 vs.

14 **THE SOURCE HOTEL, LLC**, a California
15 limited liability company; **IRON**
MECHANICAL, INC., a California
16 corporation; and **DOES 1 through 20**,
inclusive,

17 Defendants.
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Case No. 30-2020-01143598-CU-MC-CJC

Assigned for All Purposes To
Hon. Robert J. Moss, Department C14

NOTICE OF LIS PENDENS

Action Filed: May 26, 2020
Trial Date: April 4, 2022

HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
301 NORTH LAKE AVENUE, 7TH FLOOR
PASADENA, CALIFORNIA 91101-1807
Tel (626) 440-5200 • Fax (626) 796-0107

1 **NOTICE IS HEREBY GIVEN** that an action has been commenced in the above-entitled
2 court on a Complaint of Plaintiff against the above-named Defendants for foreclosure of a
3 mechanics lien.


4 This action affects title to the following described real property situated in the City of
5 Buena Park, County of Orange, State of California, more particularly described as follows:

6 APN Nos. 276-361-20 and 276-361-22
7 commonly known as 6986 Beach Boulevard, Buena Park, CA 90621.

8
9
10 DATED: September 4, 2020

HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.

11
12
13 By: _____


DALE A. ORTMANN
DUSTIN LOZANO

14 Attorneys for Plaintiff Sunbelt Controls, Inc.
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HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
301 NORTH LAKE AVENUE, 7TH FLOOR
PASADENA, CALIFORNIA 91101-1807
Tel: (626) 440-5200 • Fax: (626) 796-0107

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 301 North Lake Avenue, 7th Floor, Pasadena, CA 91101-1807.

On September 4, 2020, I served the following document(s) described as **NOTICE OF LIS PENDENS** on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as follows:

Summer Bridges, Esq.
6940 Beach Blvd, D-301
Buena Park, CA 90621

Agent for Service of Process for
The Source Hotel, LLC


Katharine Gelber
721 North B Street, Suite 100
Sacramento, CA 95811

Agent for Service of Process for
Iron Mechanical, Inc.

BY CERTIFIED/RETURN RECEIPT REQUESTED MAIL: I am "readily familiar" with Hunt Ortmann Palffy Nieves Darling & Mah, Inc.'s practice for collecting and processing correspondence for mailing via certified/return receipt requested mail with the United States Postal Service. Under that practice, it would be deposited with the United States Postal Service that same day in the ordinary course of business. Such envelope(s) were placed for collection and mailing with postage thereon fully prepaid at Pasadena, California, on that same day following ordinary business practices.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 4, 2020, at Pasadena, California.


John Andrusko

RECORDING REQUESTED BY

And

WHEN RECORDED MAIL TO:

*Gregory E Robinson
2301 Dupont dr. #530
Irvine, CA 92612-7502*

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



106.00

* \$ R 0 0 1 2 0 3 8 2 0 7 \$ *

2020000495783 3:52 pm 09/15/20

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0.00 0.00 0.00 0.00 21.00 0.00 0.000.0075.00 3.00

HITS

SPACE ABOVE THIS LINE IS RESERVED FOR RECORDER'S USE

TITLE

notice of Pending Action

☒ Attorney or ☐ Party without Attorney (name, state bar #, address & ph. #)

Gregory E. Robinson, Bar No. 109693

ROBINSON & ROBINSON, LLP

2301 Dupont Drive, Suite 530

Irvine, CA 92612-7502 P: 949-752-7007 / F: 949-752-7023

Appearing for ☒ PLAINTIFF/ ☐ DEFENDANT/ ☐ IN PRO PER

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

Street Address: 700 Civic Center Drive West

Mailing Address:

City and Zip Code: Santa Ana, CA 92701

Branch Name: Central Justice Center

Plaintiff(s): PDG Wallcoverings

Defendant(s): Greenland Construction Service, LLC; The Source Hotel, LLC; The Source at the Beach, LLC; Beach Orangethorpe Hotel, LLC; Beach Orangethorpe Hotel II, LLC; M & D Properties; Evertrust Bank; and Does 1-4 inclusive

For Recorders Use Only

For Court Use Only

NOTICE OF PENDING ACTION

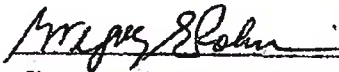
Case Number: 30-2020-01156958-CU-OR-CJC

Note: Code Civ. Proc. §405.21 allows an attorney of record in an action to sign a notice of pending action. A judge of the court in which the action is pending may, on request of a party thereto, approve such a notice. A notice of pendency of action shall not be recorded unless (a) it has been signed by the attorney of record, (b) it is signed by a party acting in propria persona and approved by a judge as provided in this section, or (c) the action is subject to Code Civ. Proc. §405.6. The required service of a notice of pending action before recordation (Code Civ. Proc. §405.22)

NOTICE IS HEREBY GIVEN that action concerning real property of affecting title or the right of possession of real property was filed on 8/26/2020 by the above-named parties in the above entitled court. The property affected is legally described as:

See Exhibit A attached hereto.

Date: September 10, 2020



Signature of Attorney or Self-Represented Litigant

This Notice of Pending Action contained herein is ☐ APPROVED/ ☐ DENIED

Date: _____

☐ Judge of the Superior Court/ ☐ Court Executive Officer

Deeds.com

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BUENA PARK, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCELS 1 THROUGH 4, INCLUSIVE, OF PARCEL MAP NO. 2014-173, IN THE CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 4, PAGES 4 THROUGH 16, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

NONEXCLUSIVE EASEMENTS UPON, OVER AND ACROSS THE PROPERTY AS SUCH RECIPROCAL EASEMENTS HAVE BEEN CONVEYED IN THE INSTRUMENT ENTITLED "DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RECIPROCAL EASEMENT AGREEMENT" RECORDED MARCH 5, 2014 AS INSTRUMENT NO. 2014000084685 OF OFFICIAL RECORDS, AND AMENDED AND RESTATED BY THE "AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RECIPROCAL EASEMENT AGREEMENT" RECORDED JUNE 3, 2016 AS INSTRUMENT NO. 2016000252445 OF OFFICIAL RECORDS.

APN: 276-361-23 TO 30, 32, 33, 35 TO 45, 50 TO 62

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the county of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address is **2301 Dupont Drive, Suite 530, Irvine, California 92612.**

On September 10, 2020, I served the documents described **NOTICE OF PENDING ACTION** on interested parties in this action, as follows:

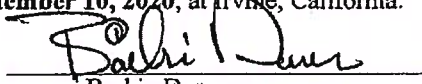
☒ by placing ☐ the original ☒ a true copy thereof enclosed in a sealed envelope(s) ["envelope"] addressed as follows:

SEE ATTACHED PROOF OF SERVICE LIST

☒ (BY MAIL) [C.C.P. § 1013(a)(1) Person Depositing In Mail] On 9/10/2020, I deposited such envelope in the mail at **Irvine, California**. The envelope was mailed with postage thereon fully prepaid.

☐ (BY EMAIL) [On **September 10, 2020** at or about the time of the court filing of this document, I requested that an electronic copy of such document to be sent to each of the interested parties by electronic transmission (email) at their respective email addresses set forth above, by the firm's court e-file service provider, as part of the e-filing of the document

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and was executed on **September 10, 2020**, at **Irvine, California**.


Barbie Dawson

1
NOTICE OF PENDING ACTION

SERVICE LIST

GREENLAND CONSTRUCTION SERVICE, LLC
PO BOX 489

BUENA PARK, CA 90621
6960 BEACH BLVD UNIT J205
BUENA PARK CA 90621

THE SOURCE AT BEACH, LLC
PO BOX 489

BUENA PARK, CA 90621
6960 BEACH BLVD J-205
BUENA PARK, CA 90621

THE SOURCE OFFICE, LLC
3100 E. IMPERIAL HWY.
LYNWOOD, CALIFORNIA 90262
ATTENTION: MIN CHAE AND DONALD CHAE

THE SOURCE OFFICE, LLC
PO BOX 489

BUENA PARK, CA 90621
6960 BEACH BLVD J-205
BUENA PARK, CA 90621

THE SOURCE HOTEL, LLC
3100 E. IMPERIAL HWY.
LYNWOOD, CALIFORNIA 90262
ATTENTION: MIN CHAE AND DONALD CHAE

THE SOURCE HOTEL, LLC
PO BOX 489

BUENA PARK, CA 90621
6960 BEACH BLVD J-205
BUENA PARK, CA 90621

BEACH ORANGETHORPE, LLC
3100 E. IMPERIAL HWY.
LYNWOOD, CALIFORNIA 90302

BEACH ORANGETHORPE, LLC
818 WEST SEVENTH STREET SUITE 930
LOS ANGELES CA 90017

BEACH ORANGETHORPE, LLC
3705 W PICO BLVD PMB 22555
LOS ANGELES CA 90019

ROBINSON & ROBINSON, LLP
SERVING JUSTICE • RELAYERS.COM

- 1 BEACH ORANGETHORPE SOURCE LLC
3100 E. IMPERIAL HWY.
2 LYNWOOD, CALIFORNIA 90302
- 3 BEACH ORANGETHORPE SOURCE, LLC
818 WEST SEVENTH STREET SUITE 930
4 LOS ANGELES CA 90017
- 5 BEACH ORANGETHORPE SOURCE, LLC
6 3705 W PICO BLVD PMB 22555
7 LOS ANGELES CA 90019
- 8 BEACH ORANGETHORPE HOTEL, LLC
PO BOX 489
9 BUENA PARK, CA 90621
6960 BEACH BLVD J-205
10 BUENA PARK, CA 90621
- 11 BEACH ORANGETHORPE HOTEL II, LLC
12 PO BOX 489
BUENA PARK, CA 90621
13 6960 BEACH BLVD J-205
14 BUENA PARK, CA 90621
- 15 M & D PROPERTIES, LLC
7352 AUTOPARK DRIVE
16 HUNTINGTON BEACH, CA 92648
- 17 SALAMANDER FIRE PROTECTION
18 6103 TYRONE STREET
VAN NUYS, CA 91401
19
- 20 SOLID CONSTRUCTION COMPANY, INC.
883 CRENSHAW BLVD.
21 LOS ANGELES, CA 90005
- 22 3D DESIGN INDUSTRIES INC, DBA AMC CABINETRY
1215 NORTH RED GUM ST , SUITE G
23 ANAHEIM CA, 92806
- 24 RESCO ELECTRIC INC.
25 2431 W. WASHINGTON BL. #B
26 LA, CA 90018
- 27
- 28

ROBINSON & ROBINSON, LLP
SERVING JUSTICE • BRLAWYERS.COM

1 ROBERT G. SPLINTER, ESQ., Bar #78284
MIN N. THAI, ESQ., BAR #232770
2 SPLINTER & THAI, LLP
25124 NARBONNE AVENUE, STE. 106
3 LOMITA, CALIFORNIA 90717-2140
4 OJ INSULATION, LP
5 600 SOUTH VINCENT AVENUE
AZUSA, CALIFORNIA 91702
6
7 BEST QUALITY PAINTING
818 N. PACIFIC AVE., STE #C
8 GLENDALE, CA 91203
9 NEMO & RAMI, INC.
10 1930 W HOLT AVE
POMONA, CA 91768
11
12 SUNBELT CONTROLS, INC.
888 EAST WALNUT STREET
PASADENA, CALIFORNIA 91101
13
14 PRIME CONCRETE COATINGS
6127 JAMES ALAN STREET
15 CYPRESS, CA 90630
16
17 NEWGENS, INC.
14241 FOSTER ROAD
LA MIRADA, CA 90638
18
19 ALLAN R. POPPER, OF LIENGUARD, INC.,
AGENT FOR HILL CRANE SERVICE INC.
3333 CHERRY AVENUE
20 LONG BEACH, CA 90807
21
22 RONALD R. HILL,
AGENT FOR HILL CRANE SERVICE INC.
3333 CHERRY AVENUE
23 LONG BEACH, CA 90807
24
25 IRON MECHANICAL, INC.
721 NORTH B STREET, SUITE 100
26 SACRAMENTO, CALIFORNIA 95811
27
28

1 PORTER LAW GROUP, INC.
2 WILLIAM L. PORTER, ESQ
3 HANNAH C. KREUSER, ESQ
4 7801 FOLSOM BOULEVARD, SUITE 101
5 SACRAMENTO, CALIFORNIA 95826

6 WESTERN CONCRETE PUMPING, INC.
7 2181 LA MIRADA DR
8 VISTA, CA 92081

9 CERTIFIED TILE, INC.
10 14557 CALVERT STREET
11 VAN NUYS, CA 91411

12 BUCHANAN COMPANY INC
13 5500 BOLSA AVENUE STE 200
14 HUNTINGTON BEACH,
15 CALIFORNIA 92649

16 EKO KARAOKE LOUNGE, INC.
17 6920 BEACH BLVD., K-223
18 BUENA PARK, CALIFORNIA 90621

19 EVERGREEN ELECTRIC CONSTRUCTION, INC.
20 629 GROVEVIEW LANE
21 LA CANADA, CA 91011

22 ARAGON CONSTRUCTION, INC.
23 5440 ARROW HIGHWAY,
24 MONTCLAIR, CA 91763

25 EVERTRUST BANK
26 18645 E. GALE AVE., SUITE 110
27 CITY OF INDUSTRY, CA 91748

28 EVERTRUST BANK
2 N. LAKE AVE., SUITE #1030
PASADENA CA, 91101

RECORDING REQUESTED BY:

Dennis G. Cosso.
LAW OFFICES OF DENNIS G. COSSO
345 Oxford Drive
Arcadia, CA 91007

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



7/63
HITS

WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO

2020000615345 10:02 am 10/29/20

37 401A N25 5
0.00 0.00 0.00 0.00 12.00 0.00 0.000.0075.00 3.00

NAME Law offices of Dennis G. Cosso
ADDRESS 345 Oxford Drive
CITY Arcadia,
STATE & ZIP California 91007

NOTICE OF LIS PENDENS

TI
SD
CF
SB
FP

Dennis G. Cosso - SB# 46624
Law Offices of Dennis G. Cosso
345 Oxford Drive,
Arcadia, California 91007

Telephone: 626.574.8000
Facsimile: 626.574.8081
Email: ["denniscossolaw@gmail.com"](mailto:denniscossolaw@gmail.com)

Attorneys for Plaintiff
NorthStar Demolition and Remediation, LP

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR ORANGE COUNTY**

NORTHSTAR DEMOLITION AND
REMEDICATION, LP, a Delaware limited
partnership,

Plaintiff(s),

vs.

THE SOURCE AT THE BEACH, LLC, a
California limited liability company; THE
SOURCE HOTEL, LLC, a California limited
liability company; EVERTRUST BANK, a
California corporation; and DOES 1 through 55,
inclusive,

Defendant(s)

**CASE NO. 30-2020-01166304 CI-BC-CJC
NOTICE OF LIS PENDENS**

NOTICE IS HEREBY GIVEN that an action has been commenced and is pending in the
above-entitled Court, upon a Complaint of the above-named Plaintiff, NORTHSTAR DEMOLITION
AND REMEDIATION, LP, against Defendants THE SOURCE AT THE BEACH, LLC; THE
SOURCE HOTEL, LLC; and EVERTRUST BANK; that the object to said action is to foreclose and
enforce a Mechanic's Lien upon the premises hereinafter described or buildings situated thereon, for

1 furnishing demolition, hazardous material abatement, fireproofing, and mold remediation to THE
2 SOURCE HOTEL, LLC, which was used on a work of improvement upon the property owned by
3 defendants THE SOURCE AT THE BEACH, LLC, and THE SOURCE HOTEL, LLC, amounting to
4 the sum of \$53,948.00, together with interest and costs; notice and claim of said lien was recorded on
5 or about September 23, 2020, Official Records of County of Orange, County Clerks's office, Instrument
6 No. 2020000517005; and that the property affected by said lien and these foreclosure proceedings is
7 situated in the County of Orange, State of California, and described as follows:

8 6986 Beach Blvd., Buena Park, CA 90621, APN # 276-361-29, 30, 32, 33-35 through 45,
9 inclusive, 276-361-56 through 62, inclusive

10 Dated: October 27, 2020

THE LAW OFFICES OF DENNIS G. COSSO

11
12 By: _____

13 DENNIS G. COSSO,
14 Attorney for Plaintiff
15 NORTHSTAR DEMOLITION AND
16 REMEDIATION, LP
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 345 Oxford Drive, Arcadia, California.

On 10/28, 2020, I served the foregoing document described as NOTICE OF LIS PENDENS on interested parties in this action by placing a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

See attached list

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage fully prepaid at Arcadia, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postal meter date is more than one day after the date of deposit for mailing contained in the affidavit.

X (BY CERTIFIED MAIL) I caused such envelopes to be deposited in the mail, certified, return receipt requested at Arcadia, California. The envelope was mailed with postage and the certified fee fully prepaid.

____ (BY MAIL) I caused such envelope with postage fully prepaid to be deposited in the mail at Arcadia, California.

____ (BY OVERNIGHT DELIVERY) I caused said document to be sent via United Parcel Post or Federal Express to the addressee as indicated on the attached service list.

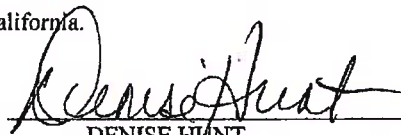
____ (BY PERSONAL DELIVERY) I caused the above-mentioned document to be personally served to the offices of the addressee.

____ (BY FAX) I transmitted such document via facsimile to the addressee as indicated on the attached service list.

____ (FEDERAL) I declare that I am employed in the office of the member of the bar of this court at whose directions the service was made.

X (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on 10/28, 2020, at Arcadia, California.

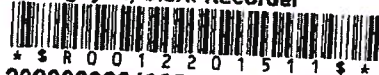

DENISE HUNT

1 The Source at the Beach, LLC
2 P.O. Box 489
3 Buena Park, CA 90621
4 The Source Hotel LLC
5 P.O. Box 489
6 Buena Park, CA 90621
7 Evertrust Bank
8 2 N Lake Ave., Suite 1030
9 Pasadena, CA 91101
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RECORDING REQUESTED BY
HO-EL PARK, ESQ.

**WHEN RECORDED,
MAIL DOCUMENT TO:**
LAW OFFICE OF HO-EL PARK, P.C.
333 CITY BOULEVARD WEST
SUITE 1700
ORANGE, CA 92868

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



103.00

* \$ R 0 0 1 2 2 0 1 5 1 1 \$ *

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HITS

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

TITLE(S)

NOTICE OF PENDENCY OF ACTION (LIS PENDENS)

IT
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K
Ca
SB

LAW OFFICE OF HO-EL PARK, P.C.
333 City Boulevard West, Suite 1700
Orange, CA 92868
Tel: (714) 523-0788/Fax: (714) 503-0788

HO EL PARK (SBN 235473)
LAW OFFICE OF HO-EL PARK, P.C.
333 City Blvd. West, Suite 1700
Orange, California 92868
Tel: (714) 523-2466/Fax: (714) 503-0788
[Our File #132060-HP]

Attorney for Plaintiff,
SOLID CONSTRUCTION COMPANY, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF ORANGE – CENTRAL JUSTICE CENTER**

SOLID CONSTRUCTION COMPANY, INC.,

Plaintiff,

vs.

GREENLAND CONSTRUCTION SERVICE,
LLC; THE SOURCE AT BEACH, LLC; THE
SOURCE HOTEL, LLC;
M + D PROPERTIES; M&D REGIONAL
CENTER LLC; BEACH ORANGETHORPE
HOTEL, LLC; BEACH ORANGETHORPE
HOTEL II, LLC; BEACH ORANGETHORPE
HOTEL III, LLC; EVERTRUST BANK; and
DOES 1 through 100, Inclusive,

Defendants.

CASE NO: 30-2020-01166792-CU-OR-CJC

*Assigned for all purposes to
the Hon. Judge John C. Gastelum*

**NOTICE OF PENDING ACTION
[LIS PENDENS]**

Action Filed: October 22, 2020

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

NOTICE IS HEREBY GIVEN that the above-entitled action concerning and affecting real property as described herein was commenced in the above-named court by plaintiff, SOLID CONSTRUCTION COMPANY, INC., a California corporation (hereinafter, "Plaintiff") against defendants GREENLAND CONSTRUCTION SERVICE, LLC, THE SOURCE AT BEACH, LLC, THE SOURCE HOTEL, LLC, M + D PROPERTIES, M&D REGIONAL CENTER LLC, BEACH ORANGETHORPE HOTEL, LLC, BEACH ORANGETHORPE HOTEL II, LLC, BEACH ORANGETHORPE HOTEL III, LLC, EVERTRUST BANK, and DOES 1 through 100, Inclusive,

- 1 -

NOTICE OF PENDING ACTION [LIS PENDENS]

LAW OFFICE OF HO-EL PARK, P.C.
333 City Boulevard West, Suite 1700
Orange, CA 92668
Tel: (714) 523-0788/Fax: (714) 503-0788

1 ORANGETHORPE HOTEL III, LLC, EVERTRUST BANK, and DOES 1 through 100, inclusive
2 (hereinafter, "Defendants"). The action is now pending in the above-named court. Plaintiff's
3 underlying action is for foreclosure of mechanic's lien, and other related actions.

4 The action concerns the following real property, commonly known as 6986-6988 Beach
5 Boulevard, Buena Park, California 90621. The legal description of the Property is stated below:

6
7 THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF
8 BUENA PARK, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND
IS DESCRIBED AS FOLLOWS:

9 PARCEL A:

10 PARCELS 1 THROUGH 4, INCLUSIVE, OF PARCEL MAP NO. 2014-173, IN
11 THE CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF
12 CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 4, PAGES 4
THROUGH 16, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY.

13 PARCELB:

14 NONEXCLUSIVE EASEMENTS UPON, OVER AND ACROSS THE
15 PROPERTY AS SUCH RECIPROCAL EASEMENTS HAVE BEEN CONVEYED
16 IN THE INSTRUMENT ENTITLED "DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS AND RECIPROCAL EASEMENT
17 AGREEMENT" RECORDED MARCH 5, 2014 AS INSTRUMENT NO.
2014000084685 OF OFFICIAL RECORDS, AND AMENDED AND RESTATED
18 BY THE "AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS AND RECIPROCAL EASEMENT
19 AGREEMENT" RECORDED JUNE 3, 2016 AS INSTRUMENT NO.
2016000252445 OF OFFICIAL RECORDS.

20 APN: 276-361-23 TO 30, 32, 33, 35 TO 45, 50 TO 62

21
22
23 LAW OFFICE OF HO-EL PARK, P.C

24
25 Dated: October 28, 2020

By:


Ho El Park, Esq.
Attorney for Plaintiff
SOLID CONSTRUCTION COMPANY, INC.

LAW OFFICE OF HO-EL PARK, P.C.
333 City Boulevard West, Suite 1700
Orange, CA 92668
Tel: (714) 523-0788 / Fax: (714) 503-0788

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address is: 333 City Boulevard West, Suite 1700, Orange, California 92868.

On October 28, 2020, I served the foregoing document described as:

NOTICE OF PENDING ACTION [LIS PENDENS]

on interested parties in this action by placing [] the original [X] a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

SEE ATTACHED PROOF OF SERVICE LIST

☒ BY MAIL: I deposited such envelope in the mail at Orange, California. The envelope was mailed with postage thereon fully prepaid.

☒ STATE: I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on October 28, 2020 at Orange, California.

Jun Kang

LAW OFFICE OF HO-EL PARK, P.C.
333 City Boulevard West, Suite 1700
Orange, CA 92668
Tel: (714) 523-0788/Fax: (714) 503-0788

SERVICE LIST

- 1
- 2 GREENLAND CONSTRUCTION SERVICE, LLC
P.O. BOX 489
- 3 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 4 BUENA PARK, CA 90621
- 5 THE SOURCE AT BEACH, LLC
P.O. BOX 489
- 6 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 7 BUENA PARK, CA 90621
- 8 THE SOURCE OFFICE, LLC
P.O. BOX 489
- 9 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 10 BUENA PARK, CA 90621
- 11 THE SOURCE HOTEL, LLC
P.O. BOX 489
- 12 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 13 BUENA PARK, CA 90621
- 14 BEACH ORANGETHORPE HOTEL, LLC
P.O. BOX 489
- 15 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 16 BUENA PARK, CA 90621
- 17 BEACH ORANGETHORPE HOTEL II, LLC
P.O. BOX 489
- 18 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 19 BUENA PARK, CA 90621
- 20 BEACH ORANGETHORPE HOTEL III, LLC
P.O. BOX 489
- 21 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 22 BUENA PARK, CA 90621
- 23 M + D PROPERTIES
P.O. BOX 489
- 24 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 25 BUENA PARK, CA 90621
- 26
- 27
- 28

- 4 -

NOTICE OF PENDING ACTION [LIS PENDENS]

LAW OFFICE OF HO-EL PARK, P.C.
333 City Boulevard West, Suite 1700
Orange, CA 92668
Tel: (714) 523-0788 / Fax: (714) 503-0788

- 1 M&D REGIONAL CENTER, LLC
P.O. BOX 489
- 2 BUENA PARK, CA 90621
6988 BEACH BLVD, STE. B215
- 3 BUENA PARK, CA 90621
- 4 EVERTRUST BANK
2 N. LAKE AVENUE, SUITE 1030
- 5 PASADENA, CA 91101
- 6 SALAMANDER FIRE PROTECTION, INC.
6103 TYRONE STREET
- 7 VAN NUYS, CA 91401
- 8 3D DESIGN INDUSTRIES INC., DBA, AMC CABINETRY
1215 NORTH REDGUM ST., SUITE G
- 9 ANAHEIM, CA 92806
- 10 RESCO ELECTRIC INC.
2431 W. WASHINGTO BL. #B
- 11 LOS ANGELES, CA 90018
- 12 ROBERT G. SPLINTER, ESQ.
MIN N. THAI, ESQ.
- 13 SPLINTER & THAI, LLP
25124 NARBONNE AVENUE, STE. 106
- 14 LOMITA, CA 90717-2140
- 15 OJ INSULATION, LP
600 SOUTH VINCENT AVENUE
- 16 AZUSA, CA 91702
- 17 BEST QUALITY PAINTING
818 N. PACIFIC AVE., STE C
- 18 GLENDALE, CA 91203
- 19 NEMO & RAMI INC.
1930 W. HOLT AVE.
- 20 POMONA, CA 91768
- 21 SUNBELT CONTROLS, INC.
888 EAST WALNUT STREET
- 22 PASADENA, CA 91101
- 23 PRIME CONCRETE COATING, INC.
6127 JAMES ALAN STREET
- 24 CYPRESS, CA 90630
- 25 NEWGENS, INC
14241 FOSTER ROAD
- 26 LA MIRADA, CA 90638
- 27
- 28

LAW OFFICE OF HO-EL PARK, P.C.
333 City Boulevard West, Suite 1700
Orange, CA 92668
Tel: (714) 523-0788 / Fax: (714) 503-0788

- 1 HILL CRANE SERVICE INC.
3333 CHERRY AVENUE
- 2 LONG BEACH, CA 90807
- 3 IRON MECHANICAL, INC.
721 NORTH B STREET, SUITE 100
- 4 SACRAMENTO, CA 95811
- 5 PORTER LAW GROUP, INC.
7801 FOLSOM BOULEVARD, SUITE 101
- 6 SACRAMENTO, CA 95826
- 7 WESTERN CONCRETE PUMPING, INC.
2181 LA MIRADA DR.
- 8 VISTA, CA 92801
- 9 CERTIFIED TILE, INC.
7769 LEMONA AVE
- 10 VAN NUYS CA 91405
- 11 BUCHANAN COMPANY INC.
5500 BOLSA AVENUE STE 200
- 12 HUNTINGTON BEACH, CA 92649
- 13 EKO KARAOKE LOUNGE, INC.
10655 GASCOIGNE DRIVE
- 14 CUPERTINO CA 95014
- 15 EVERGREEN ELECTRIC CONSTRUCTION, INC.
629 GROVE VIEW LANE
- 16 LA CANADA, CA 91011
- 17 ARAGON CONSTRUCTION INC.
5440 ARROWY HIGHWAY
- 18 MONTCLAIR, CA 91763
- 19 ROBINSON & ROBINSON, LLP
2301 DUPONT DR., STE 530
- 20 IRVINE, CA 92612-7502
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder

 94.00

* \$ R 0 0 1 2 2 2 2 9 7 9 \$ *

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RECORDING REQUESTED BY:

Dustin Lozano, Esq.

WHEN RECORDED MAIL TO:

Dustin Lozano, Esq.
Hunt Ortmann Palffy Nieves
Darling & Mah, Inc.
301 North Lake Avenue
Seventh Floor
Pasadena, CA 91101-1807

HITS

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

NOTICE OF LIS PENDENS

HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
301 NORTH LAKE AVENUE, 7TH FLOOR
PASADENA, CALIFORNIA 91101-1807
Tel (626) 440-5200 • Fax (626) 796-0107

1 Dale A. Ortmann, Esq., SBN 094226
ortmann@huntortmann.com
2 Dustin Lozano, Esq., SBN 296518
lozano@huntortmann.com
3 HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
4 301 North Lake Avenue, 7th Floor
Pasadena, California 91101-1807
5 Phone: (626) 440-5200 Fax: (626) 796-0107
6 Attorneys for Aragon Construction, Inc.

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF ORANGE, CENTRAL JUSTICE CENTER**
10

11 ARAGON CONSTRUCTION, INC., a
California corporation,

12 Plaintiff,

13 vs.
14

15 THE SOURCE HOTEL, LLC, a California
limited liability company; GREENLAND
CONSTRUCTION SERVICE, LLC, a
16 California limited liability company;
BUSINESS ALLIANCE INSURANCE
17 COMPANY, a California corporation; and
DOES 1 through 25, inclusive,

18 Defendants.
19

Case No. 30-2020-01165129-CU-MC-CJC

Assigned for All Purposes to Honorable
Martha K. Gooding, Dept. C32

NOTICE OF LIS PENDENS

Action Filed: October 13, 2020
Trial Date: None set

HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
301 NORTH LAKE AVENUE, 7TH FLOOR
PASADENA, CALIFORNIA 91101-1807
Tel (626) 440-5200 • Fax (626) 796-0107

1 **NOTICE IS HEREBY GIVEN** that an action has been commenced in the above-entitled
2 court on a Complaint of Plaintiff against the above-named Defendants for foreclosure of a
3 mechanics lien.

4 This action affects title to the following described real property situated in the City of
5 Buena Park, County of Orange, State of California, more particularly described as follows:

6 APN Nos. 276-361-20 and 276-361-22
7 commonly known as 6986 Beach Boulevard, Buena Park, California 90621.

8
9 DATED: November 6, 2020

HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.

10
11
12 By: 

DUSTIN LOZANO

13 Attorneys for Aragon Construction, Inc.
14
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PROOF OF SERVICE

**Aragon Construction, Inc. v. The Source Hotel, LLC, et al.
30-2020-01165129-CU-MC-CJC**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Los Angeles, State of California. My business address is 301 North Lake Avenue, 7th Floor, Pasadena, CA 91101-1807.

On November 6, 2020, I served the following document(s) described as **NOTICE OF LIS PENDENS** on the interested parties in this action by placing thereof enclosed in sealed envelopes addressed as follows:

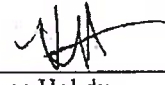
The Source Hotel, LLC
6940 Beach Boulevard, Suite D-501
Buena Park, California 90621

Greenland Construction Service, LLC
3100 E. Imperial Highway
Lynwood, California 90262

BY CERTIFIED/RETURN RECEIPT REQUESTED MAIL: I am "readily familiar" with Hunt Ortmann Palffy Nieves Darling & Mah, Inc.'s practice for collecting and processing correspondence for mailing via certified/return receipt requested mail with the United States Postal Service. Under that practice, it would be deposited with the United States Postal Service that same day in the ordinary course of business. Such envelope(s) were placed for collection and mailing with postage thereon fully prepaid at Pasadena, California, on that same day following ordinary business practices.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on November 6, 2020, at Pasadena, California.



Vanessa Hobdy

HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
301 NORTH LAKE AVENUE, 7TH FLOOR
PASADENA, CALIFORNIA 91101-1807
Tel (626) 440-5200 • Fax (626) 796-0107

+ PROVIDENT TITLE COMPANY, P01, 1944 12/23/2020 11:11AM PST JEB3 ORDER: 10512629	ORANGE, CA ORDER SEARCH RESULTS TOF: 10 PAGE 1 OF 3 COMMENT:
---	---

PLANT THROUGH DECEMBER 16, 2020 05:00PM

SEARCH PARAMETERS

Name Service: GENERAL_INDEX

BUSINESS NAME

THE SOURCE HOTEL

QUALIFIERS: FROM 12/21/2000 THROUGH 99/99/9999
OPTIONS: DISPLAY BANKRUPTCY: YES
PERMIT DATEDOWN: YES

PARAMETER ENTERED:

BUSINESS NAME

THE SOURCE HOTEL

SEARCHED PARAMETER:

BUSINESS NAME

THE SOURCE HOTEL

TYPE BK/PG	DATE	DOC#	NAME	REFERENCE	REMARKS
OO	02/22/2016		THE S;CA 420-1733076-12		
OO	02/25/2016		THE S;CA 420-1734610-12		

**+ PROVIDENT TITLE COMPANY,
P01, 1944**

ORANGE, CA

12/23/2020 11:11AM PST JEB3

ORDER SEARCH RESULTS

PAGE 2 OF 3

ORDER: 10512629

TOF: 10

COMMENT:

BUSINESS NAME

THE SOURCE HOTEL

TYPE BK/PG	DATE	DOC#	NAME	REFERENCE	REMARKS
00	05/18/2016		THE SOURCE HOTEL LLC;ST JS 0186406		
00	07/27/2020		THE SOURCE HOTEL LLC;WFG 99 1618569CAD		
00	08/13/2020		THE SOURCE HOTEL;WFG 99 1618569CAD		
00	09/22/2020		THE S;ST CA 0942724		
00	11/09/2020		THE SOURCE HOTEL LLC;OC 32 2173816		
00	03/29/2016		THE 00;CA 1744422		
00	06/01/2016		THE 011;CA 1765476		
00	06/07/2016		THE 1989;CA 1767741		
00	03/16/2016		THE 413 HARDING ST TRUST;OD 99 2121031541		
00	07/15/2020		THE 786;LCG SOLI-CA-2945754		
00	01/22/2020		THE;ST CA NSWREF20202558		
00	03/04/2020		THE;ST CA JPMREF20214247		
00	03/05/2020		THE;ST CA JPMREF20214576		
00	03/12/2020		THE;ST CA NSWREF20217523		
00	03/19/2020		THE;ST CA NSWSUB20219353		
00	03/23/2020		THE;ST CA NSWSUB20220649		
00	04/20/2020		THE;ST CA 0706620		
00	05/01/2020		THE;ST CA NSWREF20213100		
00	05/04/2020		THE;ST CA 0744464		
00	05/15/2020		THE;ST CA NSWREF20234877		
00	05/28/2020		THE;ST CA 0773530		
00	06/03/2020		THE;ST CA NSWREF20239574		
00	06/25/2020		THE;ST CA NSWREF20245194		
00	07/08/2020		THE;ST CA NSWREF20248598		
00	07/13/2020		THE;ST CA NSWREF20249650		
00	07/20/2020		THE;ST CA 0846469		
00	07/27/2020		THE;ST CA 20000480712		
00	07/28/2020		THE;ST CA NSWSUB20253649		
00	08/12/2020		THE;ST CA NSWREF20259195		
00	08/19/2020		THE;ST CA JPMREF20261097		
00	09/01/2020		THE;ST CA 0914634		
00	09/02/2020		THE;ST CA NSWREF20265045		
00	09/03/2020		THE;ST CA NSWREF20265388		
00	09/17/2020		THE;ST CA NSWREF20269358		
00	09/21/2020		THE;ST CA NSWREF20269934		
00	10/12/2020		THE;ST CA NSWREF20275853		
00	10/29/2020		THE;ST CA NSWREF20280542		
00	11/06/2020		THE;ST CA 1004861		

**+ PROVIDENT TITLE COMPANY,
P01, 1944****ORANGE, CA****12/23/2020 11:11AM PST JEB3****ORDER SEARCH RESULTS****PAGE 3 OF 3****ORDER: 10512629****TOF: 10****COMMENT:****BUSINESS NAME
THE SOURCE HOTEL**

TYPE BK/PG	DATE	DOC#	NAME	REFERENCE	REMARKS
OO	11/06/2020		THE;ST CA 1005008		
OO	11/06/2020		THE;ST CA NSWREF20282717		
OO	11/13/2020		THE;ST CA PNCEMP20284592		
OO	12/03/2020		THE;ST CA NSWREF20289861		
OO	12/03/2020		THE;ST CA 1038454		
OO	12/03/2020		THE;ST CA 1038444		
OO	12/07/2020		THE;ST CA 1041614		
OO	12/16/2020		THE;ST CA 1052981		

END OF REPORT

+ PROVIDENT TITLE COMPANY, P01, 1944 12/23/2020 11:11AM PST JEB3 ORDER: 10512629	ORANGE, CA PAGE 1 OF 3 COMMENT:
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PLANT THROUGH DECEMBER 16, 2020 05:00PM
SEARCH PARAMETERS

Name Service: **GENERAL_INDEX**

BUSINESS NAME

SOURCE HOTEL

QUALIFIERS: FROM 12/21/2000 THROUGH 99/99/9999
OPTIONS: DISPLAY BANKRUPTCY: YES
PERMIT DATEDOWN: YES

PARAMETER ENTERED:

BUSINESS NAME

SOURCE HOTEL

SEARCHED PARAMETER:

BUSINESS NAME

SOURCE HOTEL

TYPE BK/PG	DATE	DOC#	NAME	REFERENCE	REMARKS
ML	05/18/2015	256758	SOURCE HOTEL LLC		
RL	10/07/2015	509824			

**+ PROVIDENT TITLE COMPANY,
P01, 1944****ORANGE, CA****12/23/2020 11:11AM PST JEB3****ORDER SEARCH RESULTS****PAGE 2 OF 3****ORDER: 10512629****TOF: 10****COMMENT:****BUSINESS NAME
SOURCE HOTEL**

TYPE BK/PG	DATE	DOC#	NAME	REFERENCE	REMARKS
ML	05/18/2015	256759	SOURCE HOTEL LLC		
RL	09/09/2015	465775			
TD	06/03/2016	252446	SOURCE HOTEL LLC		29.500M
SA	06/03/2016	252449	SOURCE HOTEL LLC		16 252446
SA	06/03/2016	252450	SOURCE HOTEL LLC		16 252446
SA	07/05/2018	246365	SOURCE HOTEL LLC		16 252446
SA	07/05/2018	246366	SOURCE HOTEL LLC		16 252446
EN	12/28/2018	483687	SOURCE HOTEL LLC		16 252446
EN	06/26/2019	225954	SOURCE HOTEL LLC		16 252446
ST	07/27/2020	361779			
ND	07/27/2020	361780	SOURCE HOTEL LLC		16 252446
ML	08/02/2017	319341	SOURCE HOTEL LLC		
BD	10/23/2017	448159			
RL	04/17/2018	137264			
TD	08/28/2017	364569	SOURCE HOTEL LLC		10M
TD	08/28/2017	364570	SOURCE HOTEL LLC		11.500M
ML	09/15/2017	392884	SOURCE HOTEL LLC		
BD	10/23/2017	448160			
ML	07/02/2018	241793	SOURCE HOTEL LLC		
RL	07/27/2018	275314			
ML	07/17/2019	256173	SOURCE HOTEL LLC		
ML	07/17/2019	256173	SOURCE HOTEL LLC		NO LEGAL
ML	08/08/2019	291605	SOURCE HOTEL LLC		NO LEGAL
ML	10/10/2019	396457	SOURCE HOTEL LLC		
ML	12/05/2019	508145	SOURCE HOTEL LLC		
ML	12/16/2019	526589	SOURCE HOTEL LLC		
RL	03/25/2020	135119	SOURCE HOTEL LLC	19-526589	19 526589
ML	01/03/2020	2714	SOURCE HOTEL LLC		
ML	01/21/2020	24862	SOURCE HOTEL LLC		
ML	01/21/2020	25041	SOURCE HOTEL LLC		
ML	01/28/2020	36952	SOURCE HOTEL LLC		
✓ ML	01/31/2020	43007	SOURCE HOTEL LLC		
ML	02/05/2020	50786	SOURCE HOTEL LLC		
RL	05/08/2020	208495	SOURCE HOTEL LLC		20 50786
LP	08/13/2020	407548	SOURCE HOTEL LLC		
30-2020-01146448-CU-BC-CJC					
LP	09/08/2020	471920	SOURCE HOTEL LLC		

**+ PROVIDENT TITLE COMPANY,
P01, 1944**

ORANGE, CA

12/23/2020 11:11AM PST JEB3

ORDER SEARCH RESULTS

PAGE 3 OF 3

ORDER: 10512629

TOF: 10

COMMENT:

BUSINESS NAME

SOURCE HOTEL

TYPE BK/PG	DATE	DOC#	NAME	REFERENCE	REMARKS
30-2020-01143598-CU-MC-CJC					
LP	09/15/2020	495783	SOURCE HOTEL LLC		
30-2020-01156958-CU-OR-					
✓ LP	10/28/2020	613064	SOURCE HOTEL LLC		27636120
LP	10/29/2020	615345	SOURCE HOTEL LLC		27636129
LP	11/02/2020	624988	SOURCE HOTEL LLC		
27636123 TO 30, 32, 33, 35 TO 45, 50 TO 62					
LP	11/09/2020	641757	SOURCE HOTEL LLC		27636120
AJ	06/16/2010	282724	SOURCE 1 PROPERTIES LLC		09K22630
SN	02/16/2017	66387	SOURCE INC		BE-1380830
BY	03/06/2002		SOURCE LLC		0211688JB7
SN	09/17/2004	838650	SOURCE LLC		0425235283
SN	12/13/2011	648829	SOURCE		1134113729
RL	02/09/2012	77079	SOURCE	11-648829	1134113729
OO	05/18/2016		SOURCE HOTEL;ST JS 0186406		
OO	06/22/2018		SOURCE HOTEL LLC;ST FG 18000480712		
OO	12/14/2018		SOURCE HOTEL;ST FG 18000481694		
OO	08/13/2020		SOURCE HOTEL;WFG 99 1618569CAD		
OO	11/09/2020		SOURCE HOTEL;OC 32 2173816		

END OF REPORT

RECORDING REQUESTED BY:

Dustin Lozano, Esq.

HITS

WHEN RECORDED MAIL TO:

Dustin Lozano, Esq.
Hunt Ortmann Palffy Nieves
Darling & Mah, Inc.
301 North Lake Avenue
Seventh Floor
Pasadena, CA 91101-1807

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



91.00

* \$ R 0 0 1 1 4 5 3 0 2 3 \$ *

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SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

MECHANICS LIEN

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ft
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1193464 1 dl 2936.001

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Dustin Lozano, Esq.
Hunt Orumann Palffy Nieves
Darling & Mah, Inc.
301 North Lake Avenue, 7th Floor
Pasadena, CA 91101-1807

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MECHANICS LIEN


SUNBELT CONTROLS, INC., 888 East Walnut Street, Pasadena, California 91101, hereby claims a mechanics lien in the amount of \$234,653.00 on The Source Hotel and on the real property on which it is located at 6986 Beach Boulevard, Buena Park, California 9062, or which is described as follows: APN Nos. 276-361-20 and 276-361-22.

The reputed owner of the real property is THE SOURCE HOTEL LLC, 6940 Beach Boulevard, Suite D-501, Buena Park, California 90621.

SUNBELT CONTROLS, INC. furnished labor or services or equipment or material generally consisting of HVAC controls to IRON MECHANICAL, 575 Anton Boulevard, 3rd Floor, Costa Mesa, California 92626.

Dated: January 30, 2020

Name of Claimant: SUNBELT CONTROLS, INC.

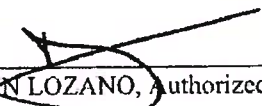
By: 
DUSTIN LOZANO
Its: Attorney-in-Fact

VERIFICATION

I am the agent authorized to make this verification on behalf of SUNBELT CONTROLS, INC. This mechanics lien is true of my own knowledge, except for those matters stated on my information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: January 30, 2020


DUSTIN LOZANO, Authorized Agent

Notice of Mechanics Lien and Proof of Service Affidavit Follow on Next Page

1193321 | dl 2936.001

NOTICE OF MECHANICS LIEN

ATTENTION!

Upon the recording of the enclosed MECHANICS LIEN with the county recorder's office of the county where the property is located, your property is subject to the filing of a legal action seeking a court-ordered foreclosure sale of the real property on which the lien has been recorded. That legal action must be filed with the court no later than 90 days after the date the mechanics lien is recorded.

The party identified in the mechanics lien may have provided labor or materials for improvements to your property and may not have been paid for these items. You are receiving this notice because it is a required step in filing a mechanics lien foreclosure action against your property. The foreclosure action will seek a sale of your property in order to pay for unpaid labor, materials, or improvements provided to your property. This may affect your ability to borrow against, refinance, or sell the property until the mechanics lien is released.

BECAUSE THE LIEN AFFECTS YOUR PROPERTY, YOU MAY WISH TO SPEAK WITH YOUR CONTRACTOR IMMEDIATELY, OR CONTACT AN ATTORNEY, OR FOR MORE INFORMATION ON MECHANICS LIENS GO TO THE CONTRACTORS STATE LICENSE BOARD WEB SITE AT www.cslb.ca.gov.

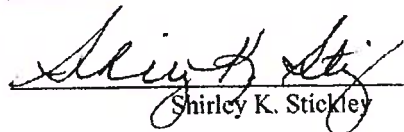
PROOF OF SERVICE AFFIDAVIT

I, SHIRLEY K. STICKLEY, served this Mechanics Lien and Notice of Mechanics Lien on the owner or reputed owner. Service was made on January 30, 2020 by certified mail, return receipt requested, postage prepaid, addressed to:

THE SOURCE HOTEL LLC
6940 Beach Boulevard, Suite D-501
Buena Park, California 90621

I certify or declare under penalty of perjury that the foregoing is true and correct.

Executed on January 30, 2020 at Pasadena, California.


Shirley K. Stickley

**RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:**
RECORDING REQUESTED BY:
Retrolock Corp.
AND WHEN RECORDED MAIL DOCUMENT TO:
Grant Nigolian
695 Town Center Drive, Suite 700
Costa Mesa, CA 92626

Recorded in Official Records, Orange County
Hugh Nguyen, Clerk-Recorder



2020000613064 3:37 pm 10/28/20
227 414A N25 5
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HITS

THIS SPACE IS FOR RECORDERS USE ONLY

**NOTICE OF PENDENCY OF ACTION
(LIS PENDENS)**

(Title of Document)

Per Government Code 27388.1(a)(1) "A fee of \$75 dollars shall be paid at the time of recording on every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel or real property. "

- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); is a transfer subject to the imposition of documentary transfer tax", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); is a transfer of real property that is a residential dwelling to an owner-occupier", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier", or
- ☐ Exempt from SB2 fee per GC 27388.1(a)(1); fee cap of \$225 reached"
- ☐ Exempt from SB2 fee per GC 27388.1(a)(1); not related to real property

Failure to include an exemption reason will result in the imposition of the SB2 Building Homes and Jobs Act Fee.

****NOT APPLYING FOR EXEMPTION**

lt
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C
SB

1 GRANT NIGOLIAN, P.C.
2 Grant A. Nigolian (Bar No. 184101)
3 695 Town Center Drive, Suite 700
4 Costa Mesa, CA 92626
5 Tel: (310) 853-2777

6 Attorneys for Plaintiffs,
7 Retrolock Corp.

8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF ORANGE – CENTRAL JUSTICE CENTER**

10 RETROLOCK CORP., a California
11 corporation;

12 Plaintiffs,

13 vs.

14 GREENLAND CONSTRUCTION SERVICE,
15 LLC, a California corporation; THE SOURCE
16 HOTEL, LLC, a California corporation;
17 BUSINESS ALLIANCE INSURANCE
18 COMPANY, a California corporation; and
19 DOES ONE (1) through TWENTY (20),
20 inclusive;

21 Defendants.

) Case No: 30-2020-01163206-CU-CL-CJC

)
) **NOTICE OF PENDENCY OF ACTION**
) **(LIS PENDENS)**

) [Cal. Code Civ. Proc. § 405.20]

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NOTICE OF PENDENCY OF ACTION (LIS PENDENS)

1 NOTICE IS GIVEN that the above entitled action was commenced on October 2, 2020, by
2 Retrolock Corp. in the above entitled court and concerns real property or affects the title or right of
3 possession of real property.

4 The names of all defendants to the action are as follows: Greenland Construction Service,
5 LLC; The Source Hotel, LLC; and Business Alliance Insurance Company.

6 The property in question has an address of 6986 Beach Blvd., Buena Park, California,
7 90621, APN No. of 276-361-20 & 276-361-22, and is described as follows:

8 LOTS 2 THROUGH 9, INCLUSIVE, OF TRACT NO. 1756, IN THE
9 CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF
10 CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGES 20
11 AND 21 OF MISCELLANEOUS MAPS, TOGETHER WITH LOT 2 IN
12 BLOCK 61 OF BUENA PARK, IN SAID CITY, COUNTY AND STATE,
13 AS PER MAP RECORDED IN 18, PAGES 50 TO 52 INCLUSIVE, OF
14 MISCELLANEOUS MAPS, ALL IN THE OFFICE OF THE COUNTY
15 RECORDER OF SAID COUNTY, TOGETHER WITH THE SOUTH 30
16 FEET OF THE STREET ADJOINING SAID LOT ON THE NORTH
17 ABANDONED BY ORDER OF THE BOARD OF SUPERVISORS OF
18 ORANGE COUNTY FILED IN BOOK 8, PAGE 37 OF BOARD
19 MINUTES, ON AUGUST 2, 1911.

20 The owners or reputed owners of the real property is The Source Hotel, LLC.

21 The purpose of the action is to collect a debt and foreclose a mechanics lien recorded on July
22 24, 2020, as Instrument No. 2020000358872, Official Records of Orange County, California
23 ("Mechanics' Lien" - Exhibit 1), in which claimant Retrolock Corp. claims the sum of \$258,225.27.

24 DATED: October 2, 2020

GRANT NIGOLIAN, P.C.

Grant A. Nigolian

25 By: 

Grant A. Nigolian

26 Attorneys for Plaintiffs,
27 Retrolock Corp.
28

PROOF OF SERVICE

I am employed in the City of Costa Mesa, County of Orange, State of California. I am over the age of 18 years and not a party to the within action. My business address is 695 Town Center Drive, Suite 700, Costa Mesa, CA 92626. On the date signed below, I served the documents named below on the parties in this action as follows:

NOTICE OF PENDENCY OF ACTION (LIS PENDENS)

Upon the parties named below as follows: (See attached service list.)



(BY MAIL WHERE INDICATED) I caused the above referenced document(s) to be placed in an envelope, with postage thereon fully prepaid, and placed in the United States mail at Costa Mesa, California. I am readily familiar with the practice of the firm for collection and processing of correspondence for mailing, said practice being that in the ordinary course of business, mail is deposited in the United States Postal Service the same day as it is placed for collection. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.



(BY FACSIMILE WHERE INDICATED) The above-referenced document(s) was/were transmitted by facsimile transmission and the transmission was reported as complete and without error. Pursuant to Rule 2001 et. seq. of the Cal. Rules of Court, I caused the transmitting facsimile machine to issue properly a transmission report, a copy of which is attached to this Declaration, unless service by facsimile transmission was executed as a matter of professional courtesy.



(BY PERSONAL DELIVERY WHERE INDICATED) I caused the above-referenced document(s) to be personally delivered to the person and/or the address listed above.



(BY FEDERAL EXPRESS WHERE INDICATED) I am readily familiar with the practice of the firm for the collection and processing of correspondence for overnight delivery and know that the document(s) described herein will be deposited in a box or other facility regularly maintained by Federal Express for overnight delivery.



(STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.



(FEDERAL) I declare under penalty of perjury under the laws of the United States of America the above it true and correct.

Executed on October 28, 2020, at Costa Mesa, California. Daniel Kaplan
Daniel Kaplan

Service List: *Retrolock Corp., adv. Greenland Construction Service, LLC, et al.*
(O.C.S.C. Case No. 30-2020-01163206-CU-CL-CJC)

Greenland Construction Service, LLC
c/o Summer Bridges (Reg. Agent)
6960 Beach Blvd., Unit J205
Buena Park, CA 90621
Defendants
(via Certified Mail, return receipt requested)

The Source Hotel, LLC
c/o Summer Bridges (Reg. Agent)
6960 Beach Blvd., Unit J205
Buena Park, CA 90621
Defendants
(via Certified Mail, return receipt requested)

Business Alliance Insurance Company
Steve Barsotti (Reg. Agent)
400 Oyster Point Blvd.
Suite 327
South San Francisco, CA 94080
Defendants
(via Certified Mail, return receipt requested)

Lender's Foreclosure Services
ATTN: Louisa Zavala, Trustee's Sale Officer
P.O. Box 92086
City of Industry, CA 91715
(via Certified Mail, return receipt requested)

EXHIBIT B

Electronically Received by Superior Court of California, County of Orange, 02/16/2021 10:56:00 AM.
30-2021-01183489-CU-OR-CJC - ROA # 11 - DAVID H. YAMASAKI, Clerk of the Court By Amy Van Arkel, Deputy Clerk 200

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address) Ronald Richards (SBN 176246) Law Offices of Ronald Richards & Associates, APC P.O. Box 11480 Beverly Hills, CA 90213 TELEPHONE NO. 310-556-1001 FAX NO (Optional) 310-277-3325 E-MAIL ADDRESS (Optional) ron@ronaldrichards.com ATTORNEY FOR (Name) Shady Bird Lending, LLC		FOR COURT USE ONLY FILED SUPERIOR COURT OF CALIFORNIA COUNTY OF ORANGE CENTRAL JUSTICE CENTER FEB 17 2021 DAVID H. YAMASAKI, Clerk of the Court BY _____, DEPUTY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Orange STREET ADDRESS 700 Civic Center Drive West MAILING ADDRESS Same CITY AND ZIP CODE Santa Ana 92701 BRANCH NAME Central Justice Center		
PLAINTIFF: Shady Bird Lending, LLC DEFENDANT: The Source Hotel, LLC		
EX PARTE ORDER APPOINTING RECEIVER AND ORDER TO SHOW CAUSE <input checked="" type="checkbox"/> AND TEMPORARY RESTRAINING ORDER—RENTS, ISSUES, AND PROFITS		
CASE NUMBER 30-2021-01183489-CU-OR-CJC		

NOTICE OF HEARING

Date <u>MARCH 18, 2021</u>	Time <u>1:30 pm</u>	Dept: <u>C-22</u>	Room:
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The address of the court ☒ is shown above ☐ is (specify):

ORDER TO SHOW CAUSE

- To defendant (name each)
The Source Hotel, LLC
- THE COURT ORDERS the defendants named in item 1 to appear in this court at the date, time, and place shown in the box above to give any legal reason
 - Why a receiver should not be confirmed to
 - take possession and continue in possession of the property described in Attachment 2a (attach a description of the real and personal property subject to the receivership) (the "property"), and
 - manage the property in accordance with this order until further order of this court.
 - Why you should not be prohibited from controlling or receiving any income from the property described in Attachment 2a.

ORDER APPOINTING RECEIVER

THE COURT ORDERS, pending the hearing on the Ex Parte Order to Show Cause, the following:

- Receiver. (Name): Bellann Raile
is appointed as receiver to take possession of the property described in Attachment 2a.
- Receiver's oath and bond. The receiver shall immediately, and before performing any duties:
 - execute and file a receiver's oath, and
 - file the bond required by Code of Civil Procedure section 567(b) in the amount of: \$ 2500
- Receiver's fees. The receiver may charge for the receiver's services no more than (check all that apply):
 - ☒ \$350.00 ☐ per month ☒ per hour ☐ other (specify):
 - ☐ percent of gross monthly rents
 - ☐ the greater of a or b
 - ☐ \$ as a one-time start-up fee

RC-200

PLAINTIFF (Name): Shady Bird Lending, LLC	CASE NUMBER
DEFENDANT (Name): The Source Hotel, LLC	30-2021-01183489-CU-OR-CJC

6. ☒ Management company. The receiver may employ the management company of (name):
Cordes & Company
- a. ☐ The receiver may pay the company not more than
- (1) ☐ \$ ☐ per month ☐ per hour ☐ other (specify):
- (2) ☐ percent of gross monthly rents
- (3) ☐ the greater of (1) or (2)
- (4) ☐ \$ as a one-time start-up fee
- b. ☒ Management company fees are included in receiver's fees in item 5.
7. Disclosure. The receiver shall immediately disclose to all parties any financial relationship between the receiver and any company hired to assist in the management of the receivership property
8. Plaintiff's ex parte bond. Plaintiff shall immediately file an applicant's bond under Code of Civil Procedure section 566(b) in the amount of. \$ 5,000.00
9. General duties. After qualifying, the receiver
- a. shall take possession of and manage the property,
- b. shall collect the income from the property,
- c. shall care for the property and may incur the expenses necessary for that care, and
- d. may change the locks on the property.
10. Prohibited agreements. The receiver shall not enter into an agreement with any party to this action about the administration of the receivership or about any postreceivership matter.
11. Inventory. Within 30 days after qualifying, the receiver shall file an inventory of all property possessed under this order.
12. Expenditures. The receiver shall expend money coming into his or her possession to operate and preserve the property and only for the purposes authorized in this order. Unless the court orders otherwise, the receiver shall to the extent practical hold the balance in interest-bearing accounts in accordance with Code of Civil Procedure section 569.
13. Leases and rentals. The receiver may without court approval enter into leases for a term not exceeding one year, obtain and evict tenants, and set and modify the amounts and terms of leases.
14. Security deposits. Unless the security deposit has been turned over or paid to the receiver, the receiver shall not refund a deposit to a tenant.
15. Monthly accounting of receiver's income, expenses, and fees.
- a. The receiver shall each month prepare and serve on the parties, but not file, an accounting of the income and expenses incurred in the administration of the receivership property, including the receiver's fees and expenses.
- b. The receiver may pay the receiver's own fees and expenses only by the following procedures:
- (1) By serving on all parties a notice of intent to pay to which no objection is served on the receiver within 20 days of the date the notice is served.
- (2) By serving and filing a request for interim payment, which the court then approves.
- (3) By obtaining and filing an agreement among all the parties approving the payment, which the court then approves
- (4) By filing the receiver's final accounting and report, which the court then approves.
- c. The receiver shall not reimburse the receiver for the receiver's general office administration expenses or overhead without court approval. These expenses include, for example, office supplies and employee payroll, benefits, and taxes.
16. Management.
- a. The receiver shall operate the property and take possession of all accounts relating to the property
- b. The receiver may
- (1) employ agents, employees, clerks, accountants, and property managers to administer the receivership property, and
- (2) purchase materials, supplies, and services reasonably necessary to administer the receivership property.
- c. The receiver may do all the things, and incur the risks and obligations, ordinarily done or incurred by owners, managers, and operators of businesses and property similar to that possessed by the receiver; *except* the receiver shall not make any capital improvements to the property without prior court approval.

RC-200

PLAINTIFF (Name): Shady Bird Lending, LLC	CASE NUMBER
DEFENDANT (Name): The Source Hotel, LLC	30-2021-01183489-CU-OR-CJC

17. **Bank accounts.** The receiver
- may establish accounts at any financial institutions insured by an agency of the United States government that are not parties to this proceeding,
 - shall deposit in those accounts funds received in connection with the receivership property, and
 - shall deposit in interest-bearing accounts money not expended for receivership purposes.
18. **Court instructions.** The receiver and the parties may at any time apply to this court for further instructions and orders and for additional powers necessary to enable the receiver to perform the receiver's duties properly.
19. **Insurance.**
- The receiver shall determine upon taking possession of the property whether there is sufficient insurance coverage.
 - The receiver shall notify the insurer that the receiver is to be named as an additional insured on each insurance policy on the property.
 - If the receiver determines that the property does not have sufficient insurance coverage, the receiver shall immediately notify the parties and shall procure sufficient all-risk and liability insurance on the property (excluding earthquake and flood insurance).
 - If the receiver does not have sufficient funds to obtain insurance, the receiver shall seek instructions from the court on whether to obtain insurance and how it is to be paid for.
20. **Employment of attorneys.**
- The receiver may employ unlawful detainer attorneys and eviction services without a court order.
 - ☐ The receiver may employ counsel (name):
at the hourly rate of. \$
 - ☐ Except as provided in Items 20a and 27d, before employing counsel the receiver shall apply to the court for an order authorizing the receiver to employ counsel.
21. **Taxpayer ID numbers.** The receiver may use any federal taxpayer identification numbers relating to the property for any lawful purpose.
22. **Duty to turn over possession.** Upon receipt of a copy of a recorded trustee's deed upon foreclosure or written notice from plaintiff that defendant has cured the defaults existing under plaintiff's loan documents or that plaintiff has accepted a deed in lieu of foreclosure, the receiver shall, without further order of the court, turn over possession of the property to the successful purchaser or defendant or plaintiff respectively.
23. **Plaintiff's notification of termination.** Plaintiff shall notify the receiver in writing within 48 hours of any event within plaintiff's knowledge that terminates the receivership.
24. **Receiver's final report and account and discharge.**
- Motion required.** Discharge of the receiver shall require a court order upon noticed motion for approval of the receiver's final report and account and exoneration of the receiver's bond
 - Time** Not later than 60 days after the receivership terminates, the receiver shall file, serve, and obtain a hearing date on a motion for discharge and approval of the final report and account.
 - Notice.** The receiver shall give notice to all persons of whom the receiver is aware who have potential claims against the receivership property.
 - Contents of motion** The motion to approve the final report and account and for discharge of the receiver shall contain the following:
 - Declaration or declarations.** A declaration or declarations (i) stating what was done during the receivership, (ii) certifying the accuracy of the final accounting, (iii) stating the basis for the termination of the receivership (such as foreclosure or reinstatement), and (iv) stating the basis for an order for the distribution of any surplus or payment of any deficit.
 - Accounting summary.** A summary of the receivership accounting, which shall include (i) the total revenues received, (ii) the total expenditures identified and enumerated by major categories, (iii) the net amount of any surplus or deficit, and (iv) evidence of necessary supporting facts.

RC-200

PLAINTIFF (Name): Shady Bird Lending, LLC	CASE NUMBER
DEFENDANT (Name): The Source Hotel, LLC	30-2021-01183489-CU-OR-CJC

25. **Plaintiff's notice to receiver.** Plaintiff shall promptly notify the receiver in writing of the names, addresses, and telephone numbers of all parties who appear in the action and their counsel. The parties shall give notice to the receiver of all events that affect the receivership.
26. **Bankruptcy Plaintiff's duty to give notice.** If a defendant files a bankruptcy case during the receivership, plaintiff shall give notice of the bankruptcy case to the court, to all parties, and to the receiver by the close of the next business day after the day on which plaintiff receives notice of the bankruptcy filing.
27. **Bankruptcy Receiver's duties.** If the receiver receives notice that a bankruptcy has been filed and part of the bankruptcy estate includes property that is the subject of this order, the receiver shall have the following duties:
- Turn over property if no relief from stay will be sought.* The receiver shall immediately contact the party who obtained the appointment of the receiver and determine whether that party intends to move in the bankruptcy court for an order for (1) relief from the automatic stay, and (2) relief from the receiver's obligation to turn over the property (11 U.S.C. § 543). If the party has no intention to make such a motion, the receiver shall immediately turn over the property to the appropriate entity either to the trustee in bankruptcy if one has been appointed or, if not, to the debtor in possession - and otherwise comply with 11 United States Code section 543.
 - Remain in possession pending resolution.* If the party who obtained the receivership intends to seek relief immediately from both the automatic stay and the receiver's obligation to turn over the property, the receiver may remain in possession and preserve the property pending the ruling on those motions (11 U.S.C. § 543(a)). The receiver's authority to preserve the property shall be limited as follows:
 - The receiver may continue to collect rents and other income;
 - The receiver may make only those disbursements necessary to preserve and protect the property,
 - The receiver shall not execute any new leases or other long-term contracts, and
 - The receiver shall do nothing that would effect a material change in the circumstances of the property.
 - Turn over property if no motion for relief is filed within 10 days after notice of the bankruptcy.* If the party who obtained the receivership fails to file a motion within 10 court days after his or her receipt of notice of the bankruptcy filing, the receiver shall immediately turn over the property to the appropriate entity either to the trustee in bankruptcy if one has been appointed or, if not, to the debtor in possession and otherwise comply with 11 United States Code section 543.
 - Retain bankruptcy counsel.* The receiver may petition the court to retain legal counsel to assist the receiver with issues arising out of the bankruptcy proceedings that affect the receivership.
28. **Failure to turn over property.** A receiver who fails to turn over the property in accordance with this order shall not be paid for time and expenses after the date on which the receiver should have turned the property over.
29. ☐ **Other orders.** (Additional orders may include authority of the receiver to do any other acts arising from special circumstances.) Other orders ☐ are specified in Attachment 29 ☐ are as follows (specify):

RC-200

PLAINTIFF (Name): Shady Bird Lending, LLC	CASE NUMBER
DEFENDANT (Name): The Source Hotel, LLC	30-2021-01183489-CU-OR-CJC

☒ TEMPORARY RESTRAINING ORDER

30. THIS ORDER EXPIRES AT THE DATE AND TIME OF THE HEARING SHOWN IN THE BOX ON PAGE ONE (UNDER "NOTICE OF HEARING") UNLESS EXTENDED BY THE COURT.

31. THE COURT ORDERS DEFENDANT to do the following:

- a. **Turn over property.** Immediately turn over possession of the property described in Attachment 2a to the receiver when the appointment becomes effective, including any security deposits, prepaid rent, other rental or lease payments, and funds in property management bank accounts for the property.
- b. **Turn over related items.** Immediately turn over to the receiver all keys, books, documents, and records relating to the property and advise the receiver of federal taxpayer identification numbers relating to the property.
- c. **Insurance.**
 - (1) Immediately advise the receiver about the nature and extent of insurance coverage on the property;
 - (2) Immediately name the receiver as an additional insured on each insurance policy on the property; and
 - (3) DO NOT cancel, reduce, or modify the insurance coverage
- d. **Restraints.** Refrain from
 - (1) committing or permitting any waste on the property or any act on the property in violation of law or removing, encumbering, or otherwise disposing of any of the fixtures on the property,
 - (2) demanding, collecting, or in any other way diverting or using any of the rents from the property;
 - (3) interfering in any manner with the discharge of the receiver's duties under this order;
 - (4) selling, transferring, disposing, encumbering, or concealing the property without a prior court order; and
 - (5) doing any act that will impair the preservation of the property or plaintiff's interest in the property.
- e. ☐ **Other (specify):**

32. THE COURT ORDERS PLAINTIFF to immediately file a temporary restraining order bond under Code of Civil Procedure section 529 in the amount of \$ 1,000.00

33. ☐ OTHER ORDERS ☐ are specified in Attachment 33 ☐ are as follows (specify):

SERVICE AND BRIEFING SCHEDULE

34. By (date) 2/24/2021 PLAINTIFF IS ORDERED to personally serve on each defendant or counsel and any other appearing parties, and to file proof of service of, the summons and complaint, the memorandum of points and authorities, these orders, and all declarations and supporting papers.

35. By (date) 3/4/2021 DEFENDANT IS ORDERED to personally serve on each plaintiff or counsel and any other appearing parties, and to file proof of service of, any opposition to these orders.

36. By (date) 3/10/2021 PLAINTIFF IS ORDERED to personally serve on each defendant or counsel, and to file proof of service of, any reply to defendant's opposition to these orders.

37. Number of pages attached. 7

Date. 2/17/2021

JUDGE OF THE SUPERIOR COURT

Richard Oberholzer

RC-200 [Rev. January 1, 2007]

**EX PARTE ORDER APPOINTING RECEIVER AND ORDER TO SHOW
CAUSE AND TEMPORARY RESTRAINING ORDER—RENTS,
ISSUES, AND PROFITS
(Receivership)**

Page 6 of 8

EXHIBIT B 094

Shady Bird Lending, LLC v. The Source Hotel, LLC, Orange County Superior Court
Case No. 30-2021-01183489-CU-OR-CJC

ATTACHMENT 2a

(TO *EX PARTE* ORDER APPOINTING RECEIVER AND ORDER TO SHOW CAUSE AND
TEMPORARY RESTRAINING ORDER—RENTS, ISSUES, AND PROFITS)

The property subject to the receivership created pursuant to this *Ex Parte* Order Appointing Receiver and Order to Show Cause and Temporary Restraining Order—Rents, Issues, and Profits (the “Order”) means and includes:

- (1) That certain real property on which is located a partially constructed 174-room, seven (7) story hotel building on land in the City of Buena Park, Orange County, California, Assessor's Parcel Nos. 276-361-20 and 276-361-22 and related parcel numbers as legally described in Exhibit “A” hereto (“Real Property”).
- (2) All buildings, structures and improvements erected on the Real Property, including, without limitation, all plant equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now or hereafter located on or forming part of said buildings, structures and improvements (collectively, the “Improvements”; the Real Property and Improvements being hereinafter sometimes collectively referred to as the “Premises”).
- (3) All goods, equipment, machinery, furniture, furnishings, trade fixtures, appliances, inventory, building materials, apparatus, utensils, vehicles, wiring, pipes, conduits, elevators, escalators, heating and air conditioning equipment, chattels and articles of personal property attached to or used in any way in connection with or to be incorporated at any time into the Premises or placed on any part thereof wheresoever located, whether or not attached to or incorporated in the Premises, together with any and all accessions, accessories, attachments, and replacements thereof, appertaining and adapted to the complete and compatible use, enjoyment, occupancy, operation or improvement of the Premises.

EXHIBIT "A"
LEGAL DESCRIPTION

[SEE ATTACHED.]

The land referred to herein is situated in the State of California, County of Orange and described as follows:

THAT PORTION OF LOT 2 IN BLOCK 61 OF BUENA PARK, IN THE CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGES 50 TO 52 INCLUSIVE, OF MISCELLANEOUS MAPS, AND THOSE PORTIONS OF LOTS 5 TO 9 INCLUSIVE OF TRACT NO. 1756, AS PER MAP RECORDED IN BOOK 80 PAGES 20 AND 21 OF MISCELLANEOUS MAPS, ALL IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 4A (LEVEL 1 - GROUND FLOOR LOBBY & ENTRANCE)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 215.36 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 45.77 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE S 00°00'02" W 86.05 FEET, THENCE N 89°59'59" W 22.68 FEET, THENCE S 00°01'05" W 13.56 FEET, THENCE S 89°59'59" E 22.57 FEET, THENCE S 00°00'02" W 8.22 FEET, THENCE N 89°59'58" W 0.77 FEET, THENCE S 00°00'02" W 34.16, THENCE N 89°59'58" W 110.82 FEET, THENCE N 00°00'02" E 34.17 FEET, THENCE N 89°59'58" W 30.58 FEET, THENCE N 00°00'02" E 107.52 FEET, THENCE N 89°59'58" W 0.83 FEET, THENCE N 00°00'02" E 8.95 FEET, THENCE S 89°59'58" E 24.08 FEET, THENCE N 48°29'04" E 12.47 FEET, THENCE N 00°00'02" E 16.87 FEET, THENCE S 89°59'58" E 18.12 FEET, THENCE N 00°00'02" E 6.22 FEET, THENCE N 89°57'39" E 30.73 FEET, THENCE N 00°00'02" E 32.17 FEET, THENCE N 89°59'58" W 11.92 FEET, THENCE N 00°02" E 1.00 FEET, THENCE S 89°59'58" E 0.60 FEET, THENCE N 00°00'02" E 14.21 FEET, THENCE S 89°59'58" E 39.78 FEET, THENCE S 00°00'02" W 86.82 FEET, THENCE S 89°59'58" E 32.58 FEET TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 95.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 77.76 FEET.

PARCEL 4B (LEVEL 1 - GROUND FLOOR STAIRS ON ORANGETHORPE AVENUE)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF ORANGETHORPE AVENUE AS SHOWN ON SAID MAP S 89°27'51" E 199.02 FEET; THENCE LEAVING SAID CENTERLINE N 0°32'08" E 60.00 FEET TO A POINT ON A LINE PARALLEL WITH, AND 60.00 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF ORANGETHORPE AVENUE, AND THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE N 0°00'02" E 36.96 FEET; THENCE S 89°59'58" E 14.74 FEET; THENCE S 0°00'02" W TO A POINT ON SAID PARALLEL LINE; THENCE ALONG SAID PARALLEL LINE N 89°27'51" W 14.74 TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 95.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 77.76 FEET.

PARCEL 4C (LEVEL 1 - GROUND FLOOR STAIRS ON BRENNER AVENUE)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 339.38 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 46.71 FEET TO THE TRUE POINT OF

BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 23.40 FEET; THENCE SOUTH 7.24 FEET; THENCE WEST 5.88 FEET; THENCE SOUTH 6.55 FEET; THENCE WEST 29.28 FEET; THENCE NORTH 13.79 FEET TO SAID TRUE POINT OF BEGINNING,

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 85.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 77.76 FEET.

PARCEL 4D (LEVEL 2 - SECOND FLOOR HOTEL PARCEL)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 223.82 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 36.00 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE S 00°27'49" W 94.43 FEET; THENCE N 89°59'59" W 31.75 FEET; THENCE S 00°01'05" W 13.56 FEET; THENCE S 89°59'59" E 31.65 FEET; THENCE S 00°27'49" W 36.79 FEET; THENCE S 45°29'59" W 26.85 FEET; THENCE N 89°27'51" W 110.52 FEET; THENCE N 00°00'02" E 36.98 FEET; THENCE N 89°59'58" W 19.37 FEET; THENCE S 00°00'02" W 25.13 FEET; THENCE N 89°59'58" W 12.81 FEET; THENCE N 00°00'02" E 90.73 FEET; THENCE S 89°59'58" E 62.50 FEET; THENCE N 00°00'00" E 30.00 FEET; THENCE S 89°59'58" E 15.42 FEET; THENCE N 00°00'02" E 29.98 FEET; THENCE S 89°59'58" E 85.09 FEET; TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 113.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 95.76 FEET.

PARCEL 4E (LEVEL 2 - SECOND FLOOR STAIRS ON BRENNER AVENUE)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 339.38 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 46.71 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 23.40 FEET; THENCE SOUTH 7.24 FEET; THENCE WEST 5.88 FEET; THENCE SOUTH 6.55 FEET; THENCE WEST 29.28 FEET; THENCE NORTH 13.79 FEET TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 113.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 95.76 FEET.

PARCEL 4F (LEVEL 3 - THIRD FLOOR STAIRS ON BRENNER AVENUE)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 339.38 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 46.71 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 23.40 FEET; THENCE SOUTH 7.24 FEET; THENCE WEST 5.88 FEET; THENCE SOUTH 6.55 FEET; THENCE WEST 29.28 FEET; THENCE NORTH 13.79 FEET TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 150.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 113.76 FEET.

PARCEL 4G (LEVEL 3 - THIRD FLOOR STAIRS ON BRENNER AVENUE)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND

BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 186.84 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 45.54 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 22.05 FEET; THENCE SOUTH 9.15 FEET; THENCE EAST 5.84 FEET; THENCE SOUTH 10.38 FEET; THENCE WEST 1.58 FEET; THENCE SOUTH 4.17 FEET; THENCE EAST 9.81 FEET; THENCE SOUTH 10.37 FEET; THENCE EAST 12.08 FEET; THENCE NORTH 9.62 FEET; THENCE EAST 1.44 FEET; THENCE NORTH 24.44 FEET TO THE SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 150.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 113.76 FEET.

PARCEL 4H (LEVEL 3 - THIRD FLOOR STAIRS ON ORANGETHORPE AVENUE)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF ORANGETHORPE AVENUE AS SHOWN ON SAID MAP S 89°27'51" E 199.02 FEET; THENCE LEAVING SAID CENTERLINE N 0°32'09" E 60.00 FEET TO A POINT ON A LINE PARALLEL WITH, AND 60.00 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF ORANGETHORPE AVENUE, AND THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE N 0°00'02" E 36.96 FEET; THENCE S 89°59'58" E 14.74 FEET; THENCE S 0°00'02" W TO A POINT ON SAID PARALLEL LINE; THENCE ALONG SAID PARALLEL LINE N 89°27'51" W 14.74 TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 150.76 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 113.76 FEET.

PARCEL 4I (LEVEL 4 - FOURTH FLOOR HOTEL PARCEL INCLUDING DECK)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 353.11 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 36.00 FEET TO A POINT ON A LINE PARALLEL WITH, AND 36.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF BRENNER AVENUE, AND THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 72.90 FEET; THENCE SOUTH 13.76 FEET; THENCE WEST 18.27 FEET; THENCE SOUTH 114.50 FEET; THENCE WEST 92.89 FEET; THENCE SOUTH 130.52 FEET; THENCE EAST 12.99 FEET; THENCE SOUTH 32.75 FEET TO A POINT ON A LINE PARALLEL WITH AND 80.00 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF ORANGETHORPE AVENUE; THENCE ALONG SAID PARALLEL LINE S 89°27'51" E 143.94 FEET; THENCE N 45°29'59" E 26.85 FEET TO A POINT ON SAID PARALLEL LINE WITH THE CENTERLINE OF BRENNER AVENUE; THENCE ALONG LAST SAID PARALLEL LINE N 0°27'49" E 274.06 FEET TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 161.18 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 150.76 FEET.

PARCEL 4J (LEVEL 5 - FIFTH FLOOR HOTEL PARCEL)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 353.11 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 36.00 FEET TO A POINT ON A LINE PARALLEL WITH, AND 36.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF BRENNER AVENUE, AND THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 72.90 FEET; THENCE SOUTH 136.38 FEET; THENCE WEST 6.81 FEET; THENCE

SOUTH 20.33 FEET; THENCE EAST 6.81 FEET; THENCE SOUTH 28.85 FEET; THENCE WEST 105.43 FEET; THENCE SOUTH 44.42 FEET; THENCE EAST 12.99 FEET; THENCE SOUTH 32.75 FEET TO A POINT ON A LINE PARALLEL WITH AND 80.00 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF ORANGETHORPE AVENUE; THENCE ALONG SAID PARALLEL LINE S 89°27'51" E 143.94 FEET; THENCE N 45°29'59" E 26.85 FEET TO A POINT ON SAID PARALLEL LINE WITH THE CENTERLINE OF BRENNER AVENUE; THENCE ALONG LAST SAID PARALLEL LINE N 0°27'49" E 274.06 FEET TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 171.60 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 161.18 FEET.

PARCEL 4K (LEVEL 6 - SIXTH FLOOR HOTEL PARCEL)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 353.11 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 36.00 FEET TO A POINT ON A LINE PARALLEL WITH, AND 36.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF BRENNER AVENUE, AND THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 72.90 FEET; THENCE SOUTH 165.38 FEET; THENCE WEST 6.81 FEET; THENCE SOUTH 20.33 FEET; THENCE EAST 6.81 FEET; THENCE SOUTH 28.85 FEET; THENCE WEST 105.43 FEET; THENCE SOUTH 44.42 FEET; THENCE EAST 12.99 FEET; THENCE SOUTH 32.75 FEET TO A POINT ON A LINE PARALLEL WITH AND 80.00 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF ORANGETHORPE AVENUE; THENCE ALONG SAID PARALLEL LINE S 89°27'51" E 143.94 FEET; THENCE N 45°29'59" E 26.85 FEET TO A POINT ON SAID PARALLEL LINE WITH THE CENTERLINE OF BRENNER AVENUE; THENCE ALONG LAST SAID PARALLEL LINE N 0°27'49" E 274.06 FEET TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 182.02 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 171.60 FEET.

PARCEL 4L (LEVEL 7 - SEVENTH FLOOR & ROOF HOTEL PARCEL)

COMMENCING AT THE CENTERLINE INTERSECTION OF ORANGETHORPE AVENUE AND BRENNER AVENUE AS SHOWN ON SAID MAP OF TRACT NO. 1756; THENCE ALONG THE CENTERLINE OF BRENNER AVENUE AS SHOWN ON SAID MAP N 0°27'49" E 353.11 FEET; THENCE LEAVING SAID CENTERLINE N 89°32'11" W 36.00 FEET TO A POINT ON A LINE PARALLEL WITH, AND 36.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF BRENNER AVENUE, AND THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE WEST 72.90 FEET; THENCE SOUTH 165.38 FEET; THENCE WEST 6.81 FEET; THENCE SOUTH 20.33 FEET; THENCE EAST 6.81 FEET; THENCE SOUTH 28.85 FEET; THENCE WEST 105.43 FEET; THENCE SOUTH 44.42 FEET; THENCE EAST 12.99 FEET; THENCE SOUTH 32.75 FEET TO A POINT ON A LINE PARALLEL WITH AND 80.00 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES FROM, SAID CENTERLINE OF ORANGETHORPE AVENUE; THENCE ALONG SAID PARALLEL LINE S 89°27'51" E 143.94 FEET; THENCE N 45°29'59" E 26.85 FEET TO A POINT ON SAID PARALLEL LINE WITH THE CENTERLINE OF BRENNER AVENUE; THENCE ALONG LAST SAID PARALLEL LINE N 0°27'49" E 274.06 FEET TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THOSE PORTIONS LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 210.00 FEET AND ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 182.02 FEET.

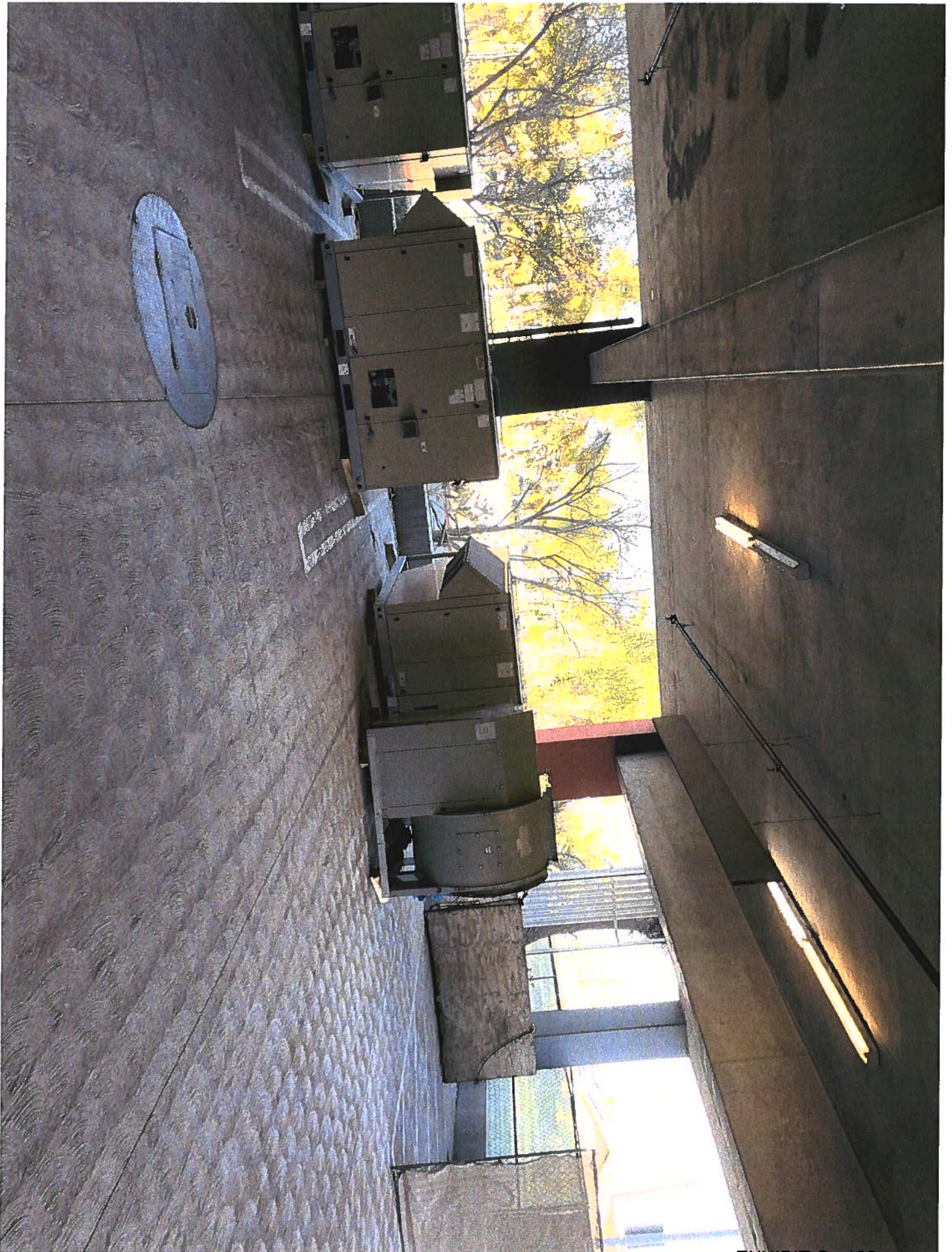
ELEVATIONS STATED HEREON ARE BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88) PER THE YEAR 2005 ADJUSTMENT BY THE ORANGE COUNTY SURVEYOR, USING THE FOLLOWING BENCHMARK:

OCS BM 404-31-05 ELEV.=80.151 FEET (NAVD88, YEAR 2005 LEVELED) STATION IS AN OCS

**ALUMINUM DISK STAMPED 404-31-05 SET IN THE SE'LY CORNER OF A 15 FT. X 4.5 FT.
CONCRETE CATCH BASIN, LOCATED IN NE'LY PORTION OF INTERSECTION OF STANTON AVE. &
ARTESIA BLVD., 28 FT. N'LY OF THE CENTERLINE OF ARTESIA BLVD. & 81 FT. E'LY OF THE
CENTERLINE OF STANTON AVENUE MONUMENT IS LEVEL WITH THE SIDEWALK**

**APN: 276-361-20 and 276-361-22
(End of Legal Description)**

EXHIBIT C

























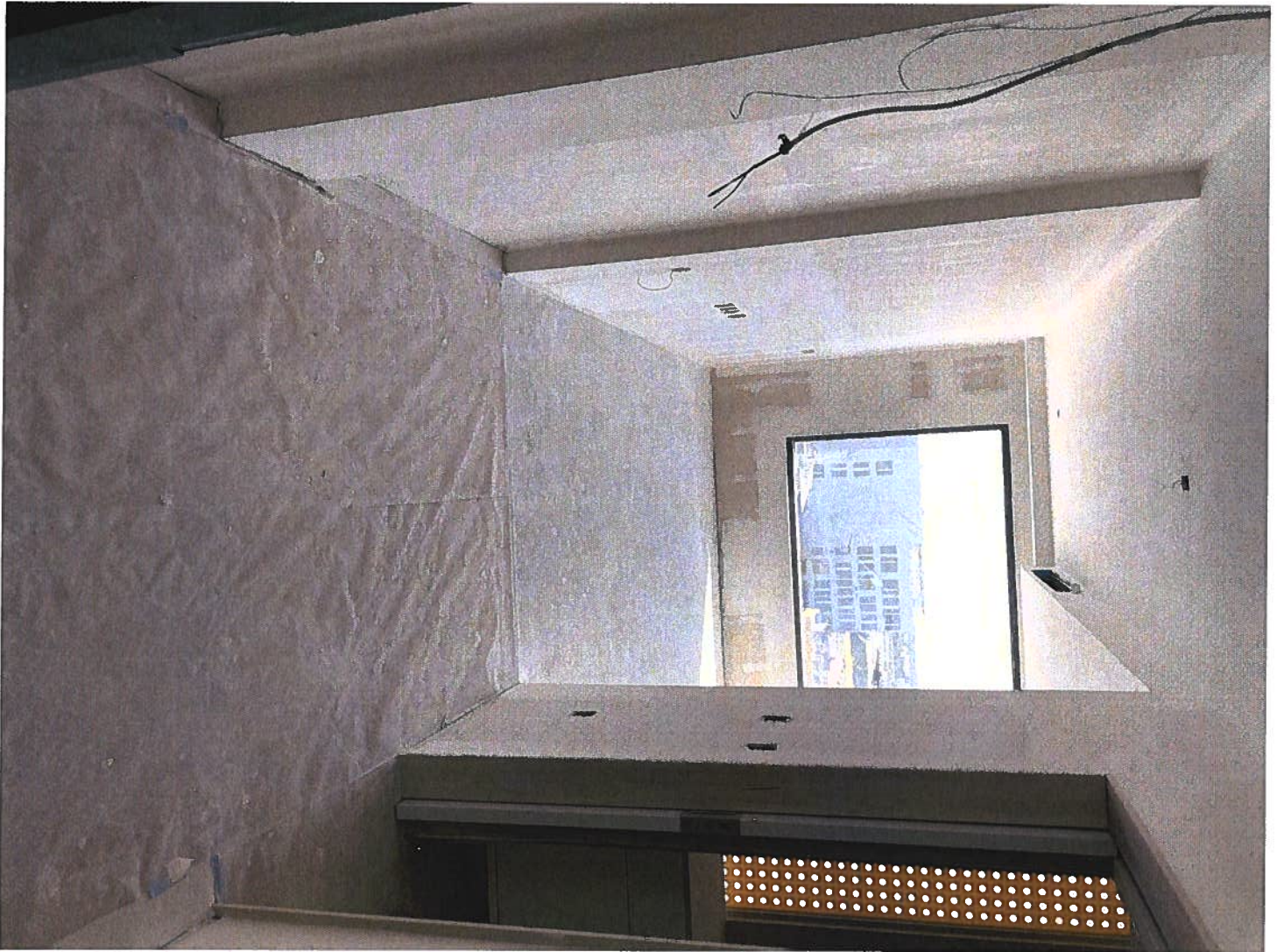














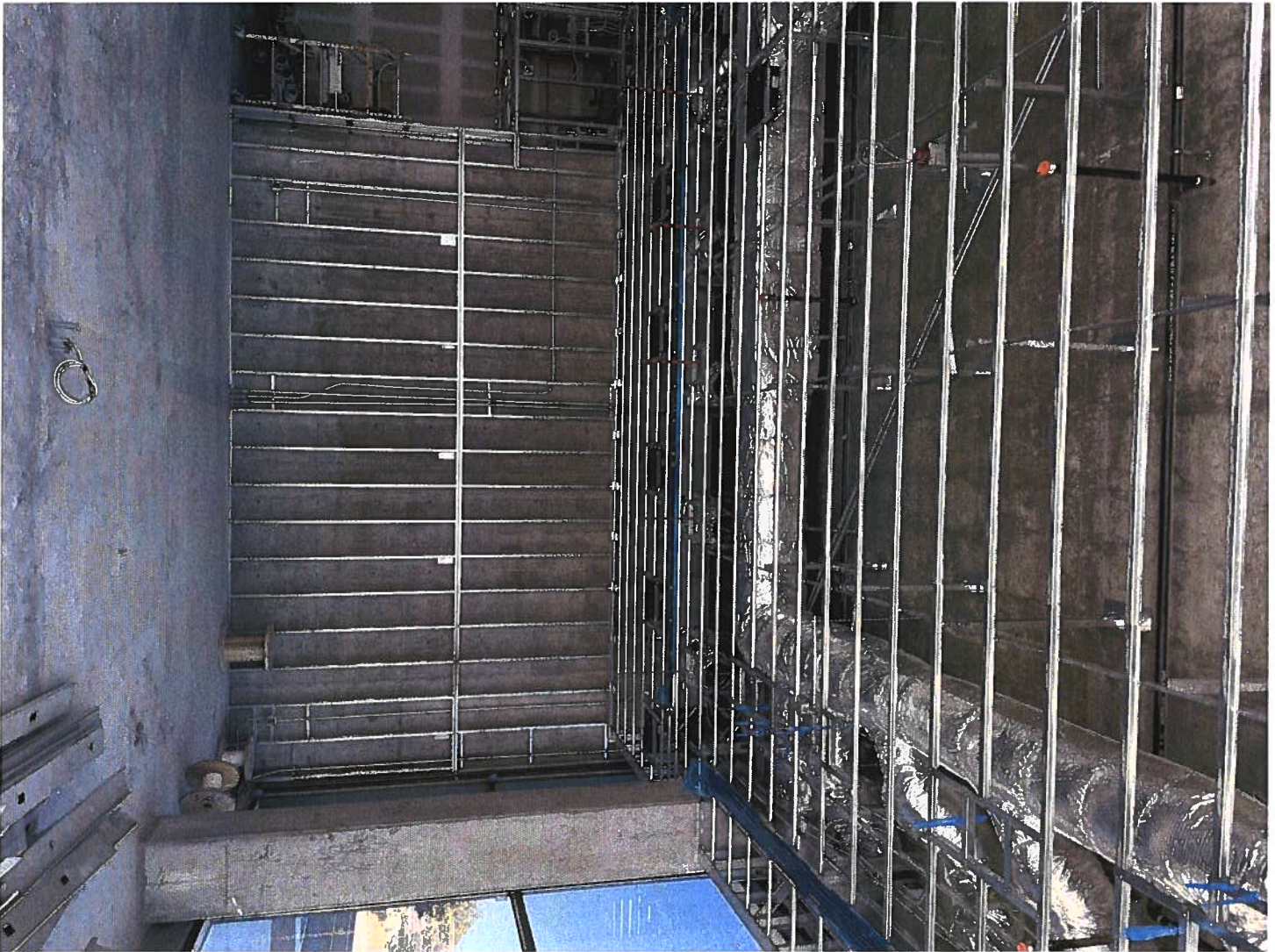














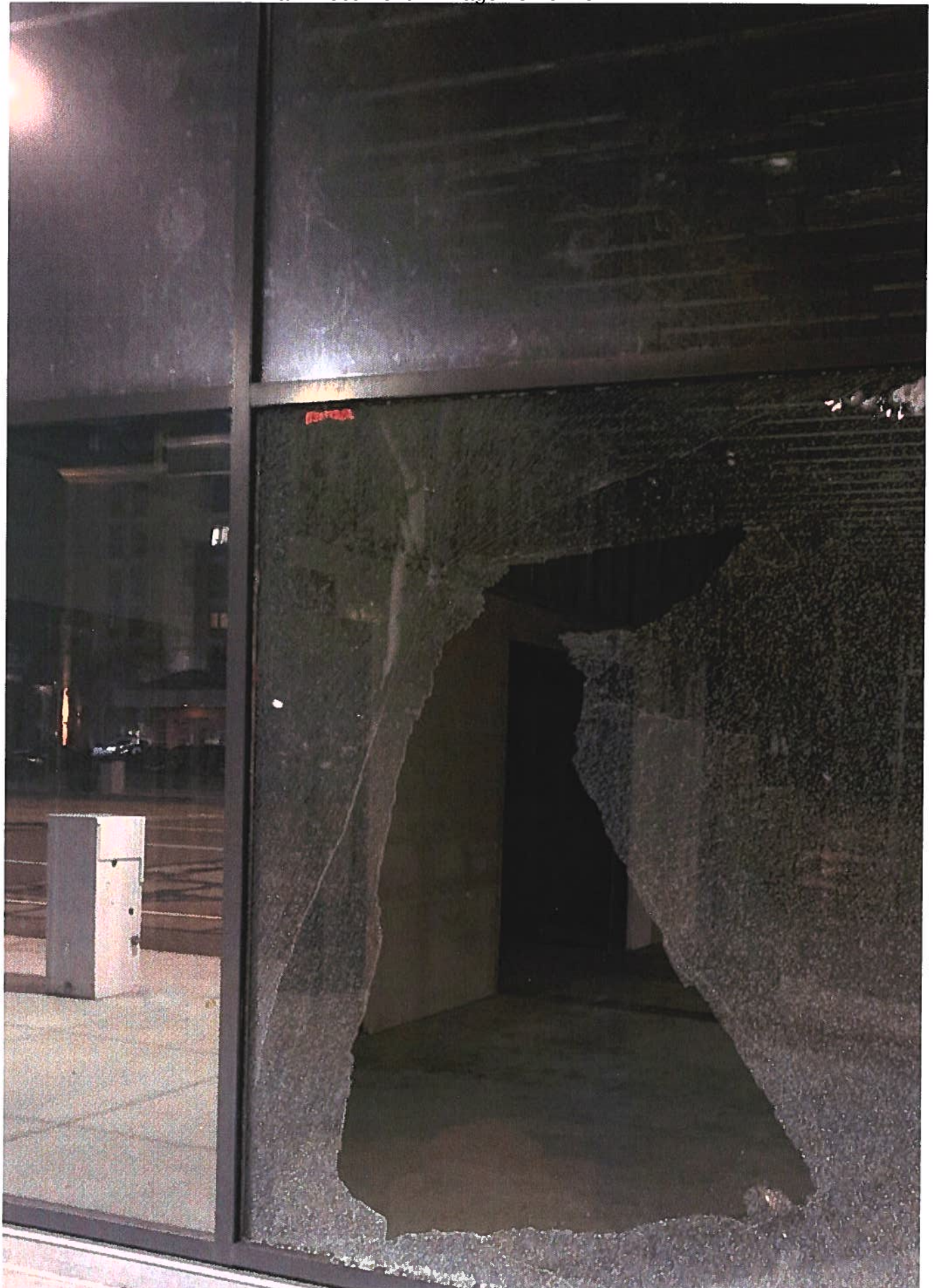






EXHIBIT D

March 10, 2021

EXHIBIT D 131

Property Inspection Report for The Source OC Hilton Hotel



Ms. Bellann Raile
Cordes & Company

Submitted To:

Submitted By:



Mr. Brent Little
Urban Advisory & Building
Group, LLC

Introduction

On behalf of Urban Advisory and Building Group, LLC, we appreciate the opportunity to assist you in the analysis of the above referenced office property. To accomplish our review of the property we performed two on-site inspections. The first inspection was on March 3, 2021 and the second was on March 9, 2021. In addition, we reviewed various stamped approved plans and interviewed several individuals either familiar with the project or a particular relevant building system.

Project Understanding

The Source Hilton Hotel is an idled construction project, which is roughly seventy percent complete. The development of the building has been arrested at various stages and varies widely by floor. Generally, the plumbing, electrical and mechanical systems are completed through rough installation. Interior framing, drywall and finishes are in mid construction. Some portions of the building complete, while others are rough framed. As best as we could observe, framing is substantially complete.

Other aspects of the project had broad completion ranges as well. Substantial investment has been made to the buildings HVAC system, but key elements are either unprotected or exposed to potential damage. Both the domestic water and electrical are operational in limited areas of the building.

Property Overview

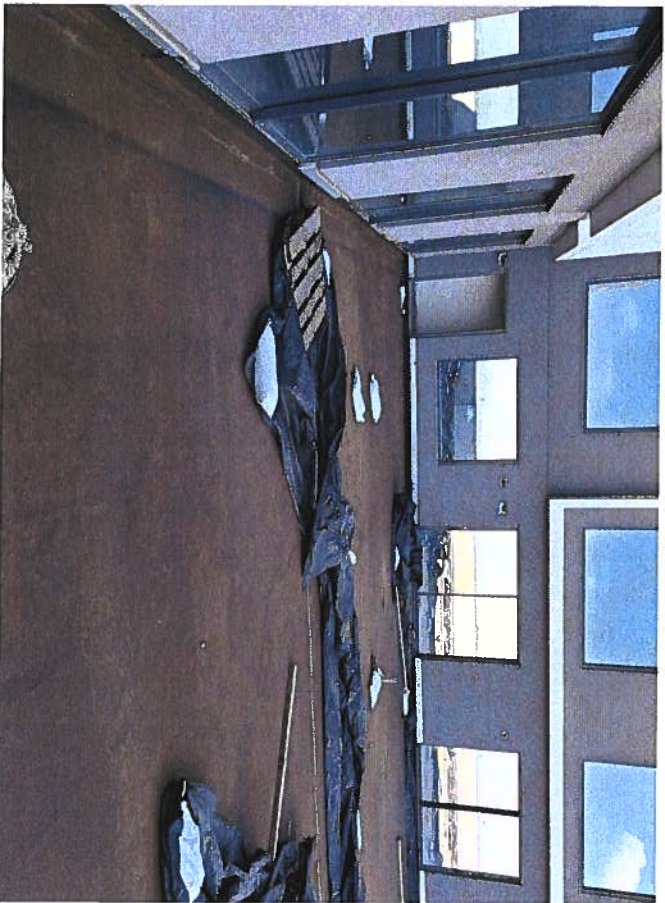
The hotel is located on the northwest corner of Orangethorpe Avenue and Brenner Avenue in the City of Buena Park. The hotel is an integrated part of The Source OC, which is a mixed-use entertainment and lifestyle center. The entire project is approved under the Beach + Orangethorpe Mixed-Use Specific Plan.

Address:	6940 Beach Blvd Buena Park, CA90621
APN:	A portion of 276-361-03 through 18 Parcel Area:
Building Area:	134,500 sf
Rooms:	172 keys

Executive Summary

The items below represent several of the more substantial issues discovered during our investigation. It is recommended that action be taken to resolve or better protect both the asset and those entering the structure.

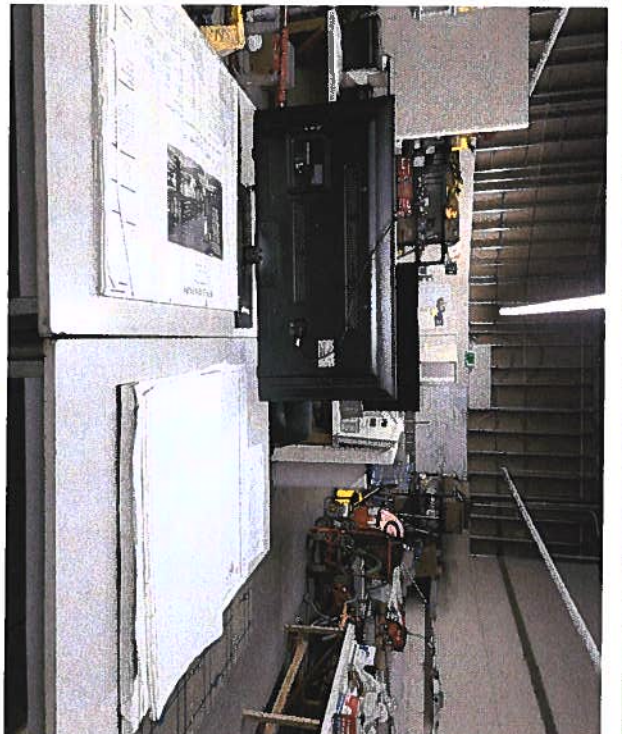
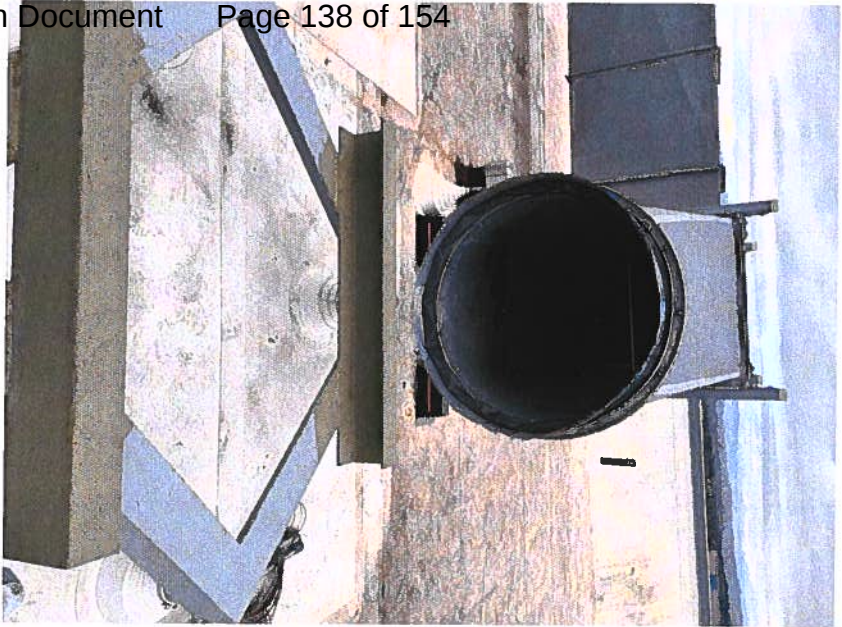
- Substantial roof issues exist which currently permit the intrusion of water into the structure.
- Construction assemblies on the roof are incomplete and create an opportunity for water infiltration.
- Due to neglect, the pool deck will need substantial repair.
- Completed building finishes are not being protected and exposed to waste or damage.
- A potentially hazardous situation may exist if the building sewer system is not connected to the public system.
- An improved safety environment for building visitors and contractors should be implemented.
- Completion plans are held off site.



Unprotected pool deck, exposed to UV.



Roof HVAC equipment poorly protected with plastic. Should be sheet metal.



Top left: HVAC ducts exposed to elements, Should be capped.
Middle: Damage to permanent finishes and fixtures. Upper
Right: Many important plans and job records are being stored
off site. These will be important to restarting the project and
should be immediately inventoried and stored properly. Lower
Right: HVAC package units left easily accessible to thieves and
vandals.

Roof System

The roof system represents a significant and immediate potential impact to the building.

Most substantially, a significant portion of the roof has been removed above the 6th floor balconies. Although the element being removed is not directly connected to the main roof, it is a material opening into which water can gain access to the building.

It is apparent there has been some water intrusion. Repair work was being undertaken and demolition was mostly complete. This effort has obviously ceased as the project has stopped construction.

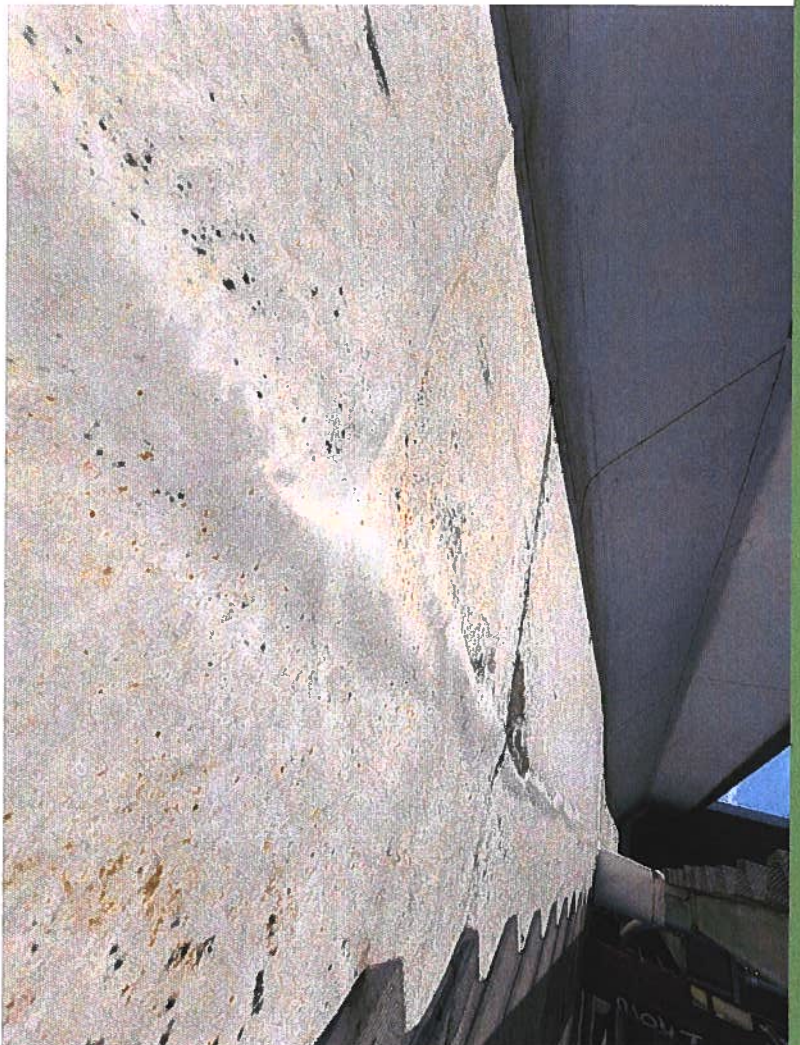
In addition to the water damage being repaired, near this same location corrosion is visible from either the same or a different failure. At the balcony walls, where they join the building, partial construction was made in an attempt to resolve the water intrusion.

Lastly, the main roof structures are predominately complete with PVC or PTO type roof systems. These are very reliable systems. However, they can leak at the joints and there were visible signs of repair near the roof access doorway. The repair does not appear to be compliant with the manufactures recommendation and should be inspected by a manufactures representative, which they will commonly perform.

Improper patch at roof door leak. Leaked into 6th floor hallway.



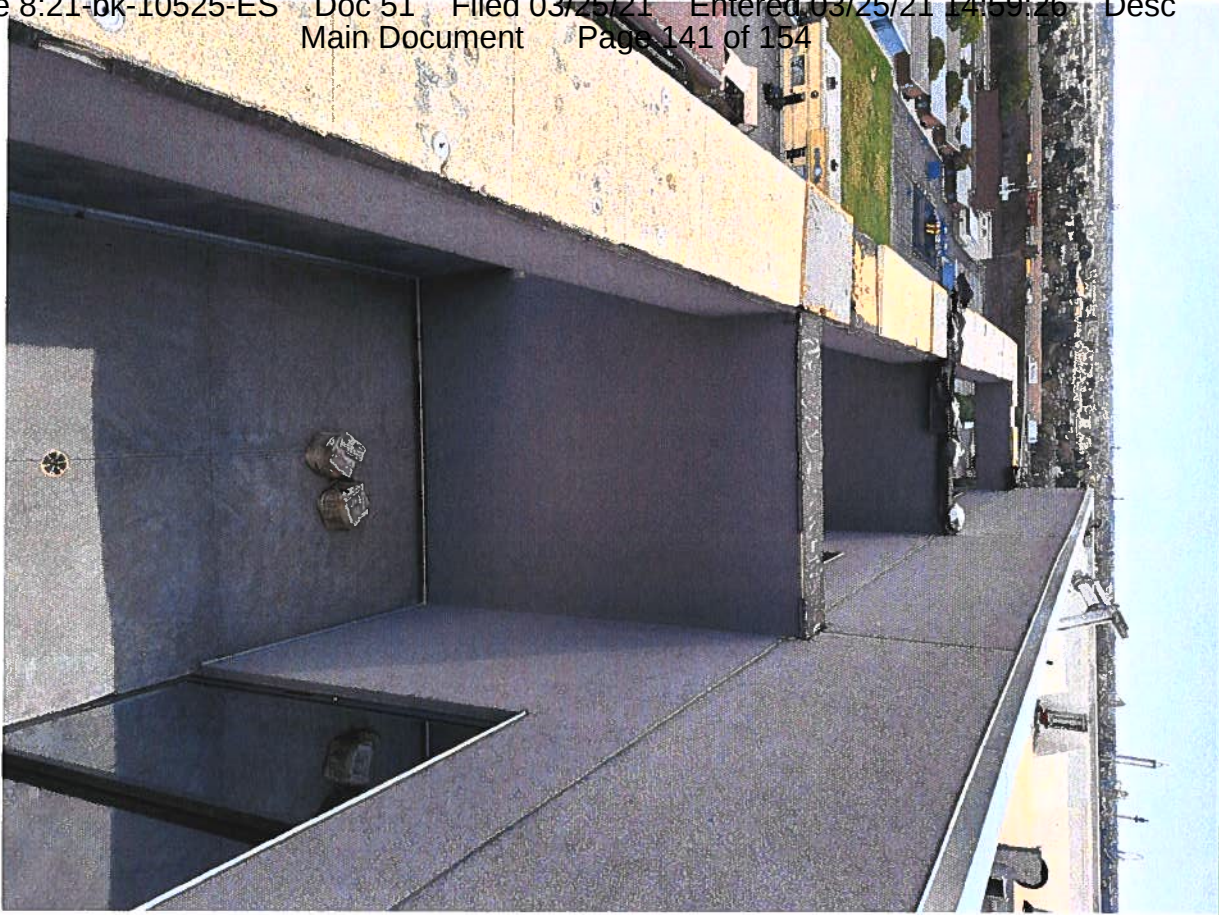
Missing flashing, above.



In numerous areas the PVC/PTO roofing is loose. May be normal, but also could be indicative of breach or installation failure. Needs to be investigated further.

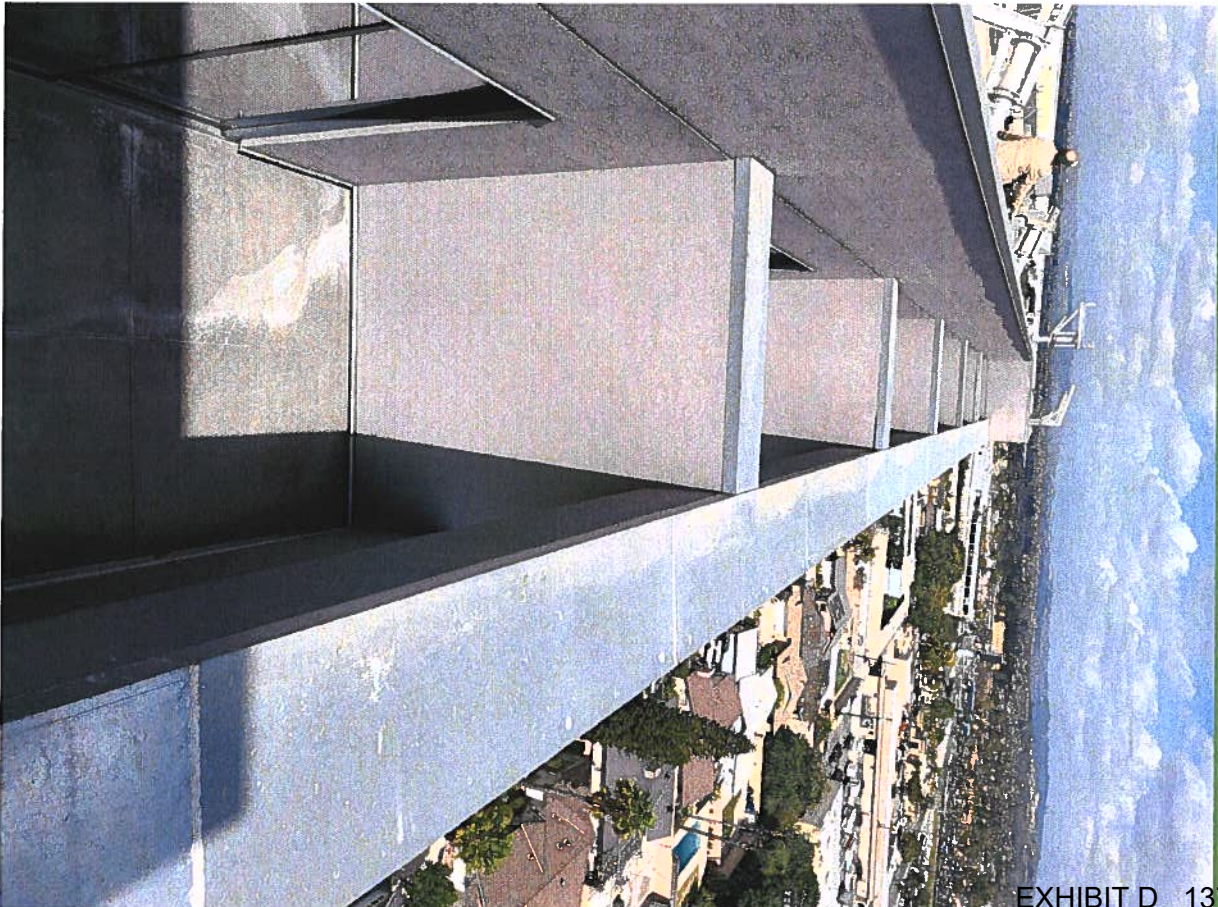
Improperly installed flashing. Needs caulk and pipe clamp.

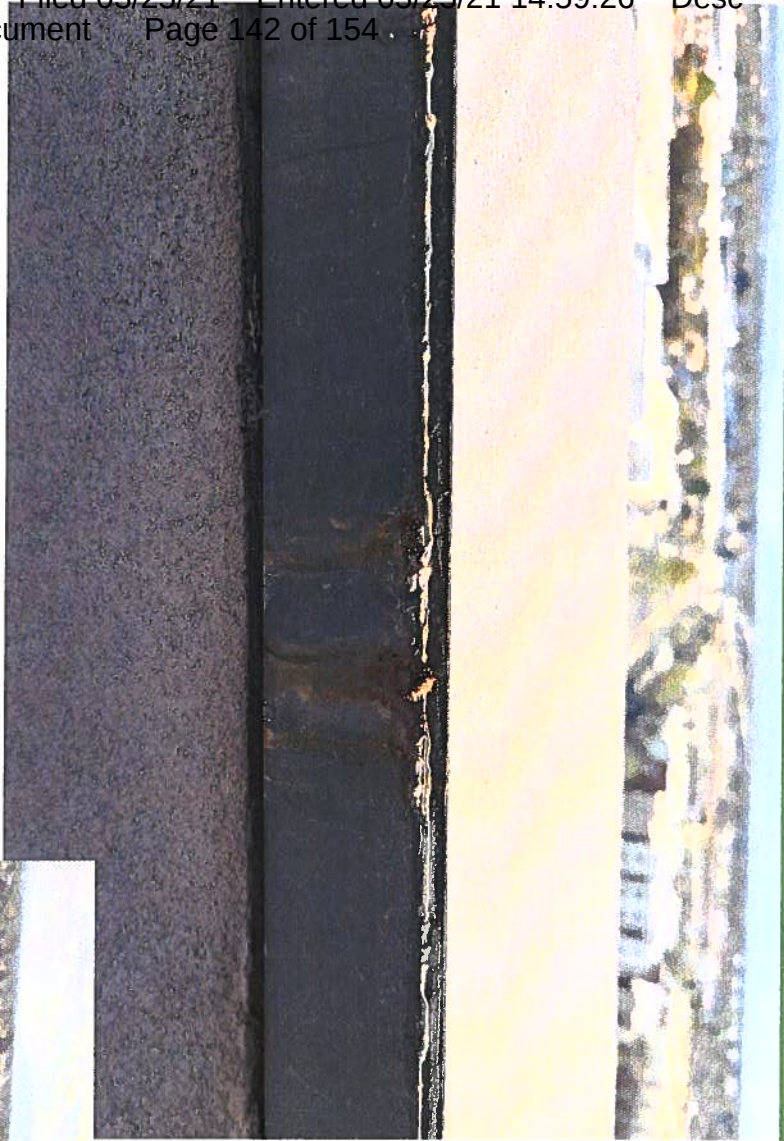
Damaged roof structure on southeast corner of building. This is a significant failure and needs to be addressed.



7

Corrected roof structure on northeast corner of building.





Rusted cap due to internal leak.



Incomplete attempted repair.

Pool and Pool Deck

The pool is exposed to the elements and has an accumulation of water and trash. It is unlikely this presents any potential damage to the structure, however it does serve as a breeding ground for mosquitos, which may carry West Nile Virus. It is believed that the local Vector Control Agency would recommend the pool be drained of any standing water.

The more substantive issue in the pool area is the exposure of the deck membrane to UV rays. Typically, these type of waterproofing systems are damaged by UV rays. During our tour of the property, we encountered Gary Reynolds, who is a contract building inspector for the City of Buena Park and has been dedicated to this project for nearly seven years. He confirmed the developer placed plastic sheeting over the membrane to protect it from UV rays. As can be seen in the accompanying pictures, the plastic did not maintain its coverage of the area. Furthermore, deterioration of the membrane is readily visible.

EXHIBIT D 139

Plastic covering failing to protect roof membrane.



Pool filled with water and trash.



Damage due to UV can be seen in the light patch, which readily rubs off.



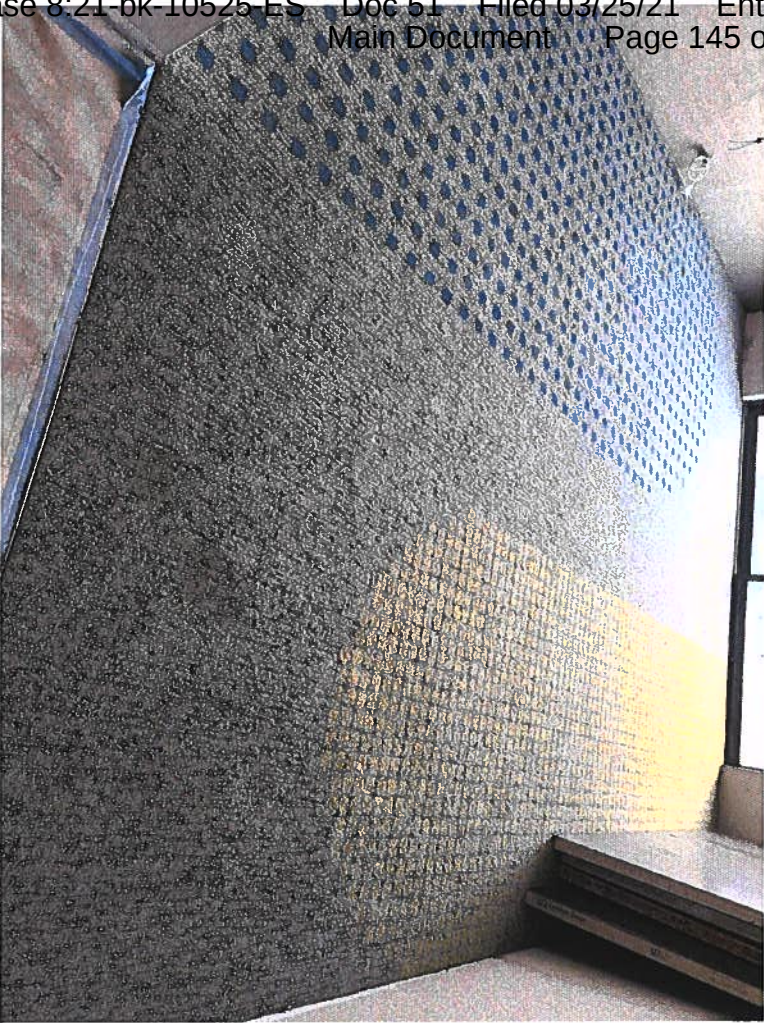
Ripples in the membrane joint, which should be ressealed.



Protection of Completed Finishes

There is inherent value in the completed work currently in place. These finishes include stone flooring, carpeting, cabinetry and plumbing fixtures. Unfortunately, because of a lack of care and protection, these finishes are being damaged or destroyed.

Some inadequate measures have been implemented at various locations in the building, but they are intermittent and generally unprotective of the underlying finishes.



Stains on carpet because of no protection.



Damaged stone flooring due to no protection.

Sewer System

Upon entering the upper floors, a strong smell of sewer gas is present in nearly all part of the building. We believe the gas is emanating from the open sewer stack located in the stairwell. The stack was fitted with a P trap to contain the smells, but it has long since dried. The stack opening is exposed to allow an air gap for a condensate drain. We also believe dry plumbing fixtures could be contributing to the problem.

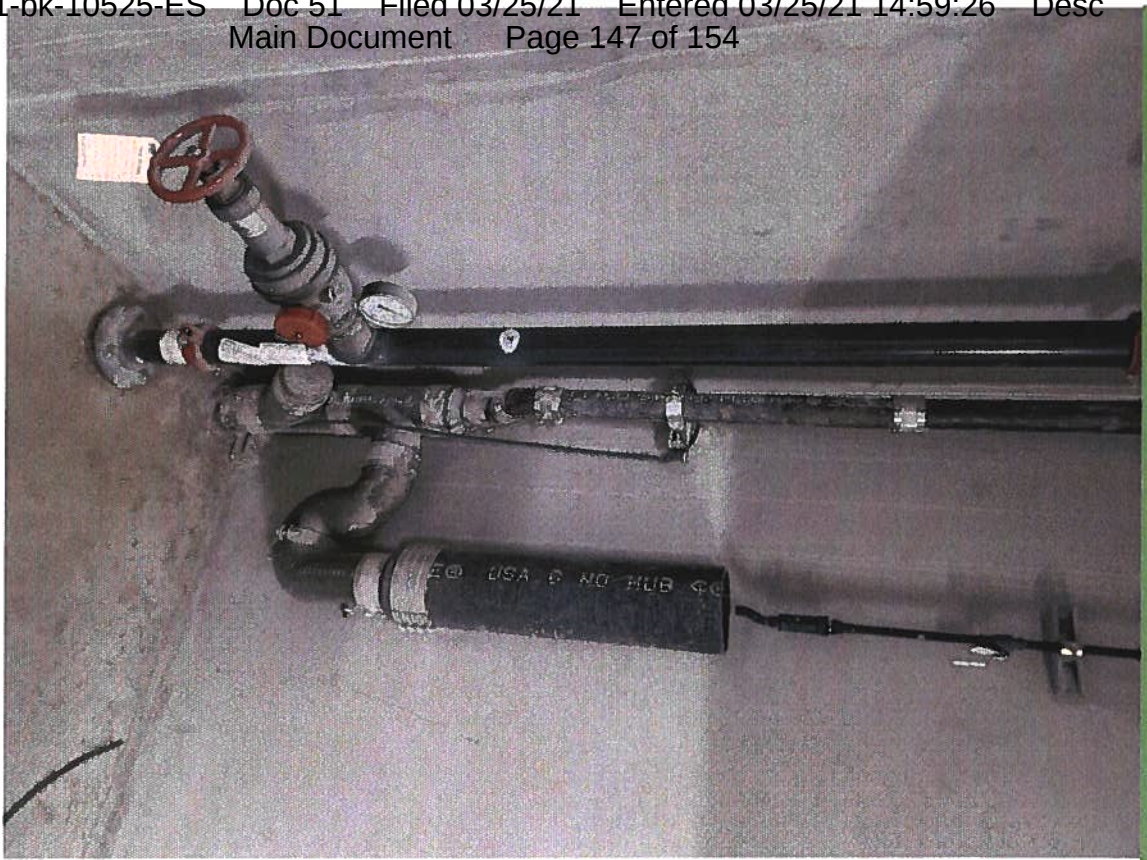
However, given the size of the building and its distance from the public sewer system, we are concerned the sewer lines could be filling up into the building.

Typically, a public sewer agency will block or bulkhead the sewer line with a temporary device until the building sewer system has been finished. At this point the block will be removed and the connection will be complete. As this building has not received its final inspection, there is some likelihood the blockage is in place.

Given the amount of time this project has been delayed, if there is a blockage, there could be a substantial failure of the system, either in the public right of way or the buildings piping, due to the head pressure of sewage in the line. Even in the event there is no damage to the systems, at some point the line could begin to overflow into the building.

To determine if this is a potential issue, the agency should be contacted to obtain permission to drain the line.

Sewer gas entering building through open pipes. Risk of backflow into building.



Toilets have been used or dry and creating hazard.



Fire Systems

The fire sprinkler system is substantially complete, however it is not currently capable of providing life safety protection for the building. Although the system appears to be charged, the sprinkler heads are not uniformly installed.

It is also unclear if other fire systems are available for deployment, such as smoke seals and fire alarms.

Although the fire load for the building appears to be low, there has been valuable investment in the building and should be a consideration when determining the operation of the systems.

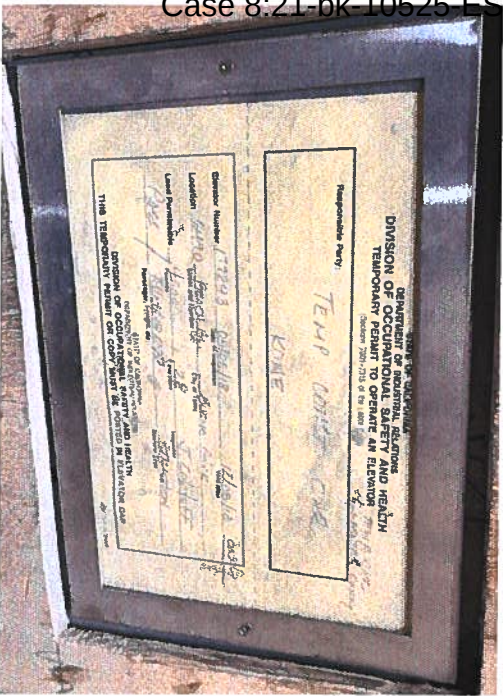
Safety

The safety and protection of personal and visitors to the building is the utmost priority. Under normal circumstances, the project would be under the supervision of a general contractor and possibly a construction manager. The property would also be receiving regular inspections from City and agency inspectors.

As these safeguards are not in place, a plan should be adopted for the improvement and regular inspection of the property to insure a safe working environment. Furthermore, consideration should be made to temporary fire protection or notification devices in the event of a fire.

Below is a list of safety issues identified on our inspection:

1. Hazardous and caustic chemicals improperly placed.
2. Regular inspection of the operational elevator and renewal of the permit.
3. Barriers placed around open chase/fall hazard.
4. Improved signage for safety and exiting.
5. Requirement for visitors and construction personal to wear appropriate safety clothing (vests, boots, masks and hard hats).
6. Accessible restroom facilities.
7. Fire extinguishers mounted in appropriate locations.

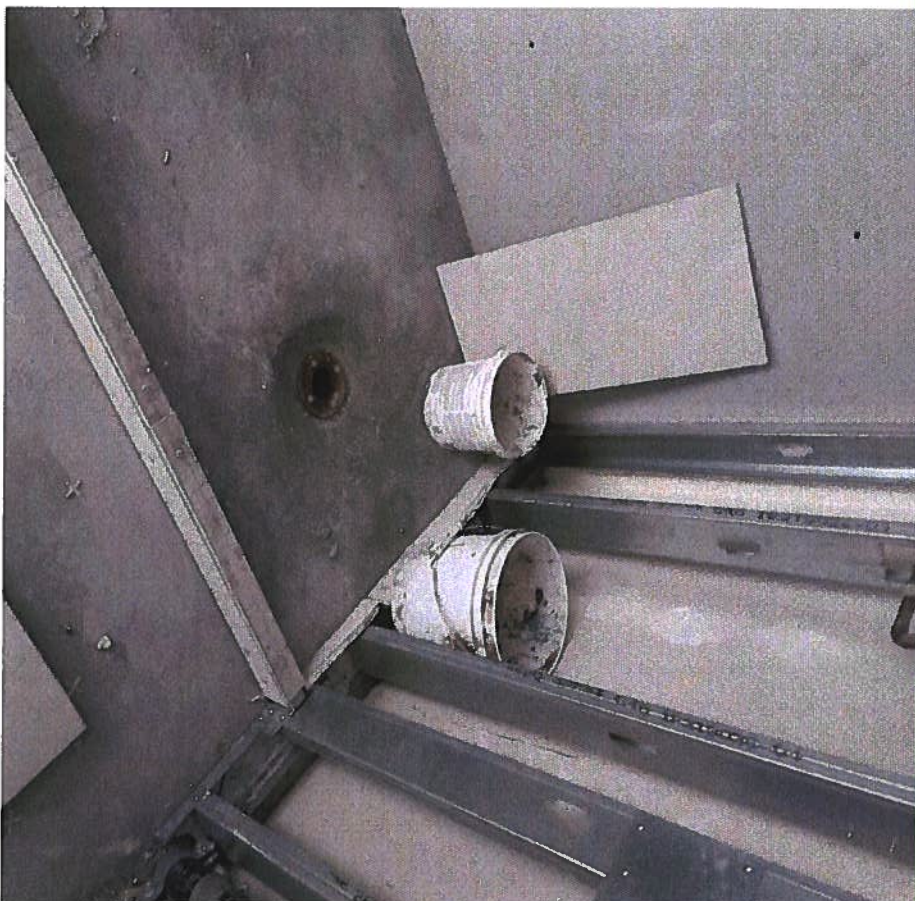


Left:: Expired elevator permit. Above: fall hazard. Right: Acid unprotected.





It is unusual to install carpet before drywall is complete.



Shower pan is incorrect and not water-proofed. Moreover, the walls are not the correct type of drywall.

Examples of improper construction techniques.

Further Recommendations

During our inspection, certain irregular or unidentifiable construction practices were observed. For any party wishing to restart construction, it is recommended that a detailed survey of the property be conducted with a comparison to the approved plans to ensure the current construction meets design and code requirements. We also recommend the Receiver retain additional construction experts to assess and protect immediate potential issues, such as the roof exposure, sewer connection, sewer gas mitigation, securing the building documents, closing unnecessary water valves and ensuring a safer work environment.

Inspectors

The inspection was performed by Brent Little and Steve Cienfuegos.

Mr. Little is a licensed General Contractor and holds a bachelor of arts degree in Geography from California State University, Fullerton with an emphasis in urban planning. He has been the principal of several construction, development and consulting firms in his approximately twenty-five year career.

Mr. Cienfuegos is a licensed General Contractor and holds a bachelor's degree from Whittier College. He has supervised and managed the construction of many commercial buildings, including several high-rise and mixed use projects.

Disclaimer

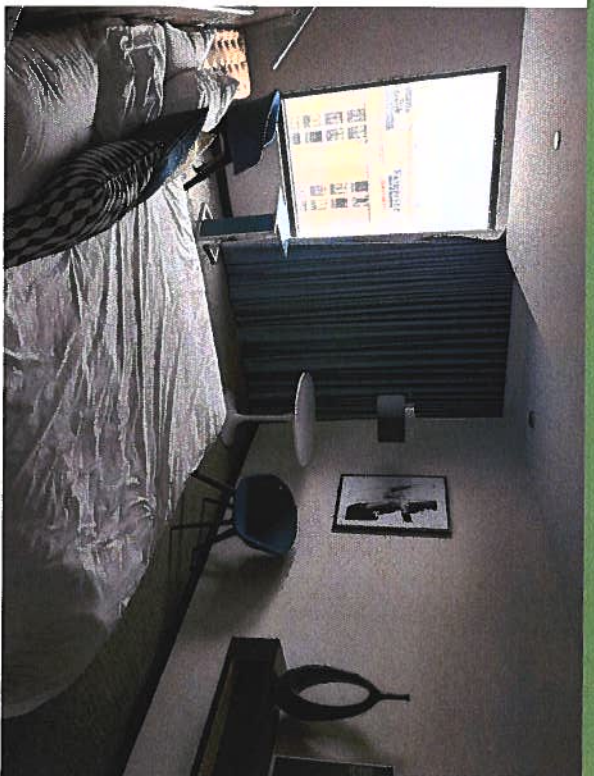
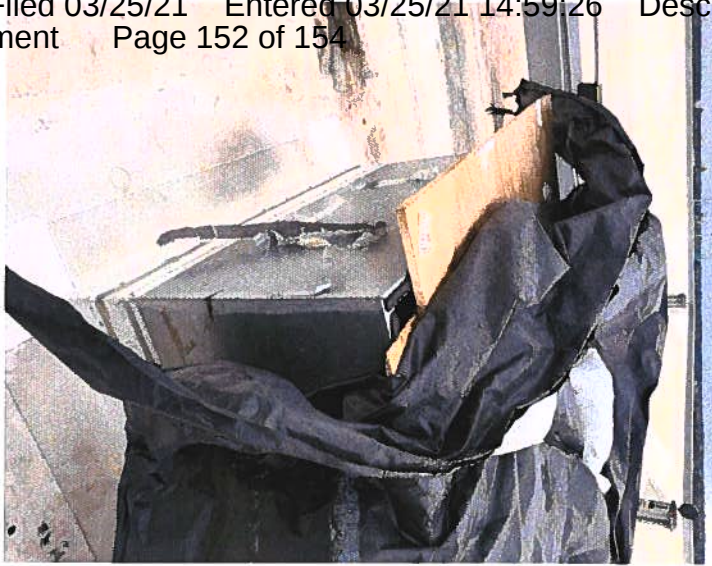
This site inspection report was completed without the benefit of any testing and merely observational nature. This includes review of visible major building assemblies such as fire protection, electrical, plumbing and the building structure.

Sincerely,

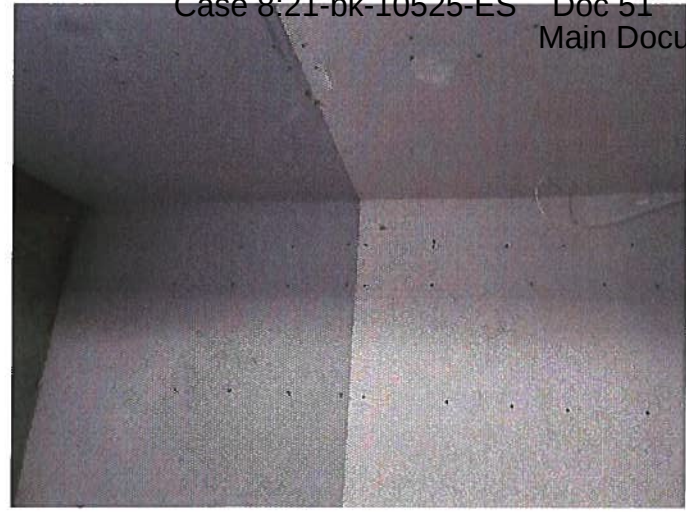
Brent Little

Brent Little
Principal

Appendix of Additional Photographs



Left: Incorrect type of drywall in bathroom. Left Above: Roof penetrations not properly sealed. Above Middle: Extensive HVAC equipment incomplete. Above Right: Model unit not protected from construction. Right: Seam exhibiting signs of degradation.



PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 333 South Grand Avenue, Suite 3400, Los Angeles, CA 90071.

A true and correct copy of the foregoing document entitled (*specify*): MOTION OF SHADY BIRD LENDING, LLC FOR ORDER EXCUSING STATE COURT RECEIVER FROM TURNOVER OF ASSETS PURSUANT TO 11 U.S.C. § 543; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF RONALD RICHARDS, BELLANN R. RAILE, AND BRENT LITTLE IN SUPPORT THEREOF be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) March 25, 2021 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On (*date*) March 25, 2021, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Debtor

The Source Hotel, LLC
6988 Beach Blvd, Suite B-215
Buena Park, CA 90621-6822

The Honorable Erithe A. Smith
U.S. Bankruptcy Court
Ronald Reagan Federal Building
411 W. Fourth Street, Suite 5040
Santa Ana, CA 92701

Nancy S Goldenberg
Office of the United States Trustee
411 W Fourth St Ste 7160
Santa Ana, CA 92701-8000

☐ Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) March 18, 2021, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

March 25, 2021
Date

Cheryl Caldwell
Printed Name

/s/Cheryl Caldwell
Signature

ADDITIONAL SERVICE INFORMATION (if needed):

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

Ron Bender on behalf of Debtor The Source Hotel, LLC
rb@lnbyb.com

Michael G Fletcher on behalf of Creditor Evertrust bank
mfletcher@frandzel.com, sking@frandzel.com

Nancy S Goldenberg on behalf of U.S. Trustee United States Trustee (SA)
nancy.goldenberg@usdoj.gov

Daniel A Lev on behalf of Creditor Shady Bird Lending, LLC
dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com;dlev@ecf.inforuptcy.com

Daniel A Lev on behalf of Interested Party Courtesy NEF
dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com;dlev@ecf.inforuptcy.com

Grant A Nigolian on behalf of Interested Party Courtesy NEF
grant@gnpclaw.com, process@gnpclaw.com;grant.nigolian@gmail.com

Juliet Y Oh on behalf of Debtor The Source Hotel, LLC
jyo@lnbrb.com, jyo@lnbrb.com

Ho-Ei Park on behalf of Interested Party Courtesy NEF
hpark@hparklaw.com

Ronald N Richards on behalf of Interested Party Courtesy NEF
ron@ronaldrichards.com, morani@ronaldrichards.com

United States Trustee (SA)
ustpregion16.sa.ecf@usdoj.gov